



Costa Mesa Sanitary District

... an Independent Special District

AGENDA

Robert Ooten

President

James Ferryman

Vice President

Michael Scheafer

Secretary

James Fitzpatrick

Assistant Secretary

Arthur Perry

Director

Public Comments. Any member of the public may address the Board. Speakers on agenda items should identify themselves to the Clerk before the meeting so that their input can be provided at the time the item is considered. Speakers on non-agenda items will be heard under Public Comments. Pursuant to State law, the Board may not discuss or take action on non-agenda items except under special circumstances. Speakers must limit their remarks to three minutes or as decided upon by the Presiding Officer. The Presiding Officer reserves the right to declare any speaker out of order.

Obtaining Agenda Materials: The public is entitled to copies of all documents that are made part of the agenda packet. If any document or other writing pertaining to an agenda item is distributed to all or a majority of the Board after the packet is prepared, a copy of that writing may be obtained at the District offices at 628 W. 19th Street, Costa Mesa, California. The Clerk of the District may be contacted at (949) 645-8400, ext. 223.

In Compliance with ADA: Contact Joan Revak, (949) 645-8400, 48 hours prior to meeting if assistance is needed (28 CFR 35.102.35.104 ADA Title II).

Regular Meeting – Thursday, December 15, 2011

RECOMMENDED ACTION

- I. **CALL TO ORDER – 5:30 p. m. – 628 W. 19th Street, Costa Mesa**
- II. **PLEDGE OF ALLEGIANCE – Director Fitzpatrick**
- III. **INVOCATION – Director Scheafer**
- IV. **ROLL CALL (If absences occur, consider whether to deem those absences excused based on facts presented for the absence – such determination shall be the permission required by law.)**
- V. **Announcement of Late Communications**
NOTE: Unless directed otherwise by the Board of Directors, all actions shall be based on/memorialized by the latest document submitted as a late communication.
- VI. **CONSENT CALENDAR - All matters listed under the Consent Calendar are considered to be routine and will be enacted in one motion in the form listed below. There will be no separate discussion on these items prior to the time the Board votes on the motion, unless members of the Board request specific items to be removed from the Consent Calendar for discussion, in which event the item will be removed from the Consent Calendar and considered in its normal sequence on the agenda.**

Protecting our community's health by providing solid waste and sewer collection services.

www.cmsdca.gov

**RECOMMENDED
ACTION**

Reports

A. Minute Approval

1. Sewer System Committee Meeting – November 8, 2011
2. Recycling Committee Meeting – November 14, 2011
3. Regular Board of Directors Meeting – November 30, 2011

B. Engineer's Reports

6. Project Status Report Receive & File

C. Financial Reports

7. Refunds Approve
8. Occupancy Report and payment to Costa Mesa Disposal – November 2011 Approve
9. Contract Payment to CR Transfer for Recycling Services & Disposal for November 2011 Ratify Payment
10. Adoption of Warrant Resolution No. CMSD 2012-5 Ratifying Payment for the Month of November 2011 in the amount of \$1,250,266.62 Ratify Payments
11. Directors' Compensation and Reimbursement of Expenses for the Month of November 2011 Approve Compensation & Ratify Expenses
12. Investment Report as of November 30, 2011 Approve

-----END OF CONSENT CALENDAR-----

VII. PUBLIC COMMENTS

VIII. GENERAL MANAGER'S REPORTS

- A. Audited Financial Statements for Fiscal Year Ended June 30, 2011 Presentation by Auditor
- B. Annual Compliance Report for Requirements of Government Code Section 66013 for Capacity Charges Accept Report
- C. Road to Zero Waste Conference, Austin, TX Consider Attendance
- D. First Amendment to Agreement – CR&R, Inc. - REVISION Approve Revised Amendment

**RECOMMENDED
ACTION**

IX. RECYCLING COMMITTEE

- A. Monday, December 12, 2011, 10:30 a.m.
(Directors Fitzpatrick and Director Perry)

Note: The Recycling Committee will meet on the above date and time to discuss the matters on a separate agenda which is posted and made a part of this agenda. Members of the public should refer to that separate agenda for the items discussed and to be discussed. The Board may take action on any of those items on this agenda.

Other Board members may attend but only as observers.

X. ENGINEER'S REPORTS

- | | |
|---|--|
| A. Project No. 189 – Rehabilitation of Six Sewers Transferred to CMSD | Acceptance of Improvements
File Notice of Completion &
Exonerate Bonds |
|---|--|

XI. SEWER SYSTEM COMMITTEE

- | | |
|---|---------------|
| A. Tuesday, December 6, 2011, 10:30 a.m.
CMSD Board Room, 628 W. 19 th Street, Costa Mesa
(President Ooten and Director Perry) | Accept Report |
|---|---------------|

Note: The Sewer System Committee will meet on the above date and time to discuss the matters on a separate agenda which is posted and made a part of this agenda. Members of the public should refer to that separate agenda for the items discussed and to be discussed. The Board may take action on any of those items on this agenda.

Other Board members may attend but only as observers.

XII. TREASURER'S REPORTS

XIII. ATTORNEY'S REPORTS

- A. Covenant for Fuel Dispenser at District Yard

XIV. CLERK OF THE DISTRICT'S REPORTS

**RECOMMENDED
ACTION**

- XV. LOCAL MEETINGS** (REMINDER: In accordance with AB 1234 (Gov. Code 53232.5), a report is required to be given by a Director for any meeting for which expense reimbursement of any kind is provided. Note: For meetings for which the per diem compensation is sought, the Operations Code provides that such compensation is authorized for each day's service rendered as a Director at the request of the Board (not to exceed six days in one month), and certain meetings are specified as being eligible as set forth in District Operations Code § 3.01.030. For meetings not so listed, the Board must approve the service for it to be eligible for the per day compensation.)
- A. Orange County Sanitation District (OCSD)
(Director Ferryman) Accept Report
 - B. Santa Ana River Flood Protection Agency (SARFPA)
(Director Perry) Accept Report
 - C. Independent Special Districts of Orange County (ISDOC)
 - D. California Association of Sanitation Agencies
 - 1. 2012 Agency Membership Dues in the amount of \$8,000.00 Approve Payment
 - E. Other Meetings Qualifying for Reimbursement under CMSD
Ordinance No. 55, Operations Code Section 3.01.030 Report on Matters
Pertaining to CMSD
- XVI. OLD BUSINESS**
- A. Discuss District Counsel's Memo dated December 2010 & Review
Potential Costs to Proceed with a Quo Warranto Action Discussion
- XVII. NEW BUSINESS**
- XVIII. ORAL COMMUNICATIONS AND DIRECTOR COMMENTS**
- XIX. ADJOURNMENT TO CLOSED SESSION**
- XX. CLOSED SESSION – GENERAL MANAGER EVALUATION**
- XXI. ADJOURNMENT FROM CLOSED SESSION**
- XXII. ADJOURNMENT**



COSTA MESA SANITARY DISTRICT MINUTES OF SEWER SYSTEM COMMITTEE MEETING NOVEMBER 8, 2011

CALL TO ORDER

Board members of the Costa Mesa Sanitary District met in Committee session on November 8, 2011 at 10:30 a.m. at 628 W. 19th Street, Costa Mesa.

President Ooten called the meeting to order at 10:30 a.m.

DIRECTORS PRESENT:

Bob Ooten, Jim Ferryman, Jim, Art Perry (Director Perry attending as an observer only and did not participate in discussions.)

STAFF PRESENT:

Scott Carroll, General Manager; Rob Hamers, District Engineer; Yefim Tsalyuk, Senior Engineer; Joe Limon, Senior Inspector, Joan Revak, Clerk of the District

OTHERS PRESENT:

Victoria Pilko, Project Manager and Jim Herberg Assistant General Manager & Director of Engineering, Orange County Sanitation District

STANDING REPORTS

There were no sanitary sewer overflows (SSOs) to report.

Project #101 West Side Pumping Station Abandonment

Mr. Jim Herberg, Assistant General Manager & Director of Engineering from Orange County Sanitation District, and Victoria Pilko attended to discuss the project timetable on the West Side Pumping Station Abandonment.

NEW DISCUSSION ITEMS

Mr. Hamers gave a report on required sewer lateral maintenance at 2740 Cardinal Drive and provided a letter sent to the property owner informing on the video inspection of the interior of the District's sewer main. The roots are protruding from the sewer lateral into the District's main to the point the roots have restricted the flow and caused a sewer spill on Cardinal Drive on September 27, 2011. The property owner was informed sanitary sewer overflows are a violation



of both state and federal laws and subjects the District to fines. The property owner was informed the District has the right to charge for the emergency response clean-up costs for the event on September 27, 2011, however, the District will waive the costs if the property owner cooperates and removes the roots from the lateral. He was also informed the Residential Sewer Lateral Financial Assistance Program will fund 50% of the root removal costs up to \$1,800. The property owner was informed the roots must be removed by November 14, 2011.

The property owner at 2733 and other neighboring residents on Cardinal Drive were informed of roots located inside their laterals that are restricting flow and will soon likely block the flow from the laterals into the main, possibly causing a backup into their residences. The District strongly encouraged the owners to take preventative measures by removing the roots and to avoid flushing anything down the system other than bath tissue as products such as disposable wipes will catch on the roots and create a blockage. The owners were also informed of the District's Residential Sewer Lateral Financial Assistance Program.

SEISMIC STUDY AND RETROFIT OF CMSD PUMPING STATIONS

Mr. Carroll presented a report by Jerry Tucker and Associates, Inc. (JTA) on a Seismic Study of 14 Subterranean Waste Water Pumping Stations in Costa Mesa. The non-structural and structural repair of waste water pumping stations were summarized in priorities with implementation of priority I, II, III now and priority IV and V in the future. JTA will perform priority I study and CMSD Staff will work on priority II and III. The non-structural and structural repair of the WWPSs can be summarized in the following priorities:

Priority I: Repair electrical control equipment enclosures and base connections at all WWPSs except #11 (Irvine Avenue) and #13 (23rd Street) to current 2010 CBC and ASCE 7-05 standards and to provide proper anchorage per section 13.3 of ASCE 7-05; repair rusted base and side walls as required; provide preventative measures to prevent future rust.

Priority II: Provide secondary (backup) power to all WWPSs.

Priority III: Provide flexible connections of all piping between and to and from all WWPSs. The solution to this recommendation is outside of the scope of this seismic study. A qualified registered mechanical engineer can provide the CMSD with recommendations regarding the proper connections.

Priority IV: Provide additional structural support for all the WWPSs in liquefaction zones as shown in the report. Support can be accomplished by: A. Surrounding the perimeter of the wet and drywell (as one unit) with concrete grade beams; B. Providing concrete caissons at each corner with caissons embedded into bedrock.

Priority V: Bond together all concrete entry rings with steel dowels and epoxy so that there is no movement between each element.

Mr. Carroll stated Staff has requested Jerry Tucker and Associates to return with a proposal on proper anchoring the cabinets and Mr. Hamers is working on Priority III. Mr. Hamers stated the priorities are a good road map for seismic retrofitting.



SOUTH COAST PLAZA RESTAURANTS

Mr. Carroll reported on a meeting held on October 19, 2011 between South Coast Plaza, the Costa Mesa Sanitary District and EEC, to discuss dissolved sulfide levels and hydrogen sulfide odor issues stemming from the restaurants at the Plaza and the effect on the CMSD South Coast Plaza Pumping Station. A proposed sulfide study by EEC was provided. A proposed down drain for incoming line to reduce turbulence and sulfide release was discussed. A follow-up meeting will be scheduled after additional dissolved sulfide testing is completed and conclusions can be reached on the effectiveness of the additives.

GIS ATLAS/CMMS/HYDRAULIC MODELING

An oral report by Mr. Carroll was given on training for GIS Atlas and CMMS and there is a plan to place it on the District's server and EEC will also ensure the alignment of the District's lines is accurate. Mr. Hamers stressed the importance of using EEC with their extensive experience in these areas.

PICA INSPECTION TECHNOLOGY

Mr. Hamers gave an oral report on cleaning force mains (pigging) prior to electronic inspection. PICA has an electronic inspection tool that will reveal details of the pipe condition, however, the lines have to be cleaned using a "pig" prior to performing the electronic inspection.

VICTORIA PUMPING STATION

A report was given on a new traffic-rated door replacement by Nikola Corporation. The existing wet well doors were replaced with District supplied H-20 aluminum single leaf hatch door.

ARTICLES OF INTEREST

An article on Jefferson County sewer rates was presented, with officials saying the Birmingham City Council is being unrealistic in its fight against an increase in county sewer rates. Lawyers for the County Commission and sewer system creditors are working on an agreement, previously approved in concept, to settle the county's \$3.14 billion sewer debt. The agreement could increase sewer rates as much as 8.2 percent a year for three years and no more than 3.25 percent a year afterward. The City Council unanimously approved a resolution denouncing any plan to settle the county's multibillion-dollar sewer debt that includes rate increases, declaring the council would "fully investigate, explore and exhaust every legal means to protect the citizens of Birmingham from further, unaffordable, unjustified and excessive sewer rates."

CMSD PROJECTS

Project #101 West Side Pumping Station Abandonment Status

Mr. Hamers, Mr. Herberg, and Ms. Pilko reported on OCSD's project timetable for their portion of the project, known as the Southwest Costa Mesa Trunk. Topographic mapping of Canyon Drive by the City of Costa Mesa was also discussed.



Project #129 Bristol Street Sewer Phase II Status

Mr. Hamers reported a recommendation for award of construction contract will be given at the November 30, 2011 regular Board of Directors meeting.

Project #171 Irvine Pumping Station Force Main Rehabilitation Status

Mr. Hamers reported the District is finalizing plans and specs for bidding.

Project #185 System-Wide Sewer Reconstruction Phase 1 of 4 Status

Mr. Hamers reported construction continues on the project.

Project #189 Rehabilitation of Six Sewers Transferred to CMSD Status

Mr. Hamers reported construction is complete with Staff and the City of Costa Mesa monitoring South Coast Drive.

Project #192 System-Wide Sewer Reconstruction Phase 2

Mr. Hamers reported the design phase is continuing.

Project #193 Pumping Station Seismic Study

Mr. Hamers reported the Consultant report is complete and Staff is implementing Priority I, II and III recommendations.

SSC MEETING SCHEDULE

The next meeting is scheduled for December 3, 2011 at 10:30 a.m.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

The meeting was adjourned at 11.57 a.m.

CHAIRMAN



COSTA MESA SANITARY DISTRICT MINUTES OF RECYCLING COMMITTEE MEETING November 14, 2011

The Costa Mesa Sanitary District Recycling Committee met on November 14, 2011 at 10:30 a.m. at 628 W. 19th Street, Costa Mesa.

Directors Present: Jim Fitzpatrick, Jim Ferryman

Staff Present: Scott Carroll, Joan Revak, AJ Cully, Isidro Gallardo

Others Present: Dean Ruffridge, CR&R; Tyler Douthitt, Community Relations Recycling Coordinator, CR&R; Mike Carey, OCC Recycling Center; Jennifer Wechsler, Mobile Compost Service

Chairman Fitzpatrick called the meeting to order at 10:30 a.m.

I. Recycling Report – October 2011

Report accepted.

II. Waste Diversion Report - October 2011

Report accepted.

III. Ordinance Enforcement Officer's Report – October 2011

Mr. Gallardo summarized major points for three ordinance enforcement topics covering scavenging, graffiti and trash container enforcement. There were no calls reporting scavenging activity, however, Mr. Gallardo observed scavenging in areas where trash is collected in alleys.

CR&Rs maintenance completed the removal of graffiti from trash bins on the 600-700 blocks of Hamilton Street with only the 2000 block of Wallace Avenue to complete.

Four complaints to the District headquarters reporting addresses where trash bins were left in public view. Mr. Gallardo continues to monitor the four locations along with previous locations that were not in compliance.

Mr. Gallardo presented a summary of the courtesy notice process and provided a chart demonstrating the effectiveness of a "1st Notice". Of 24 first notices left, only 1 residence required a second notice



IV. Scavenging Report

Ms. Cully presented the scavenging statistics provided by the Costa Mesa Police Department. There were 16 calls in the month of October.

V. Residential FOG Recycling Kick-Off Event – November 21, 2011

A review of the set up to host KTLA 5 Morning News crew at Orange Coast College was provided by Ms. Cully.

VI. Goodwill Industries

A review of year to date total donations for the Costa Mesa Goodwill store along with information regarding the Community Youth Donation Drive was presented.

VII. Bioplastics

A handout from **Californians Against Waste** was provided with the California Attorney General filing suit against two bottled water makers and their bottle supplier for falsely claiming the bottles are "biodegrade". The suit alleges the claims are false and their use violates California law. The suit calls for bottles, tens of thousands of which are sold at retailers throughout California, to be pulled from shelves. The Executive Director of Californians Against Waste states the falsely labeled bottles pose several serious problems with consumers being deceived. The chemicals added to these bottles to theoretically allow them to break apart have zero environmental benefit; and, they cost consumers more and fill up the landfills just like any other bottle.

VIII. AB 341

A discussion was held on AB 341. AB 341 does five things:

- 1) Sets a statewide 75% waste diversion goal.
- 2) Requires mandatory commercial recycling by certain businesses and public entities
- 3) Modifies the process of amending non-disposal facility elements
- 4) Changes the due date of state agency annual reports
- 5) Modifies enforcement agency notification requirements for modifications to a solid waste facility permit.

AB 341 declares that it is the "policy goal" of the state to achieve 75% diversion by the year 2020. It also requires CalRecycle to provide a report to the Legislature by January 1, 2014 identifying strategies to achieve that goal. The bill specifically says that CalRecycle shall not establish or enforce a diversion rate on a jurisdiction that exceeds the current 50% diversion rate.



IX. CMSD Board of Directors Zero Waste Workshop – November 2, 2011

A workshop on Zero Waste was held on November 2, 2011 at 8:00 a.m.

X. Community Event Schedule

A Community Event Schedule for 2011-2012 was provided and discussed.

XI. Public Comments

There were no public comments.

XII. Discuss items for next Meeting

Committee Chairman Fitzpatrick adjourned the meeting at 11:12 a.m.

Next Meeting Date – December 12, 2011 at 10:30 a.m.

Chairman



**COSTA MESA SANITARY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
NOVEMBER 30, 2011**

CALL TO ORDER

The Board of Directors of the Costa Mesa Sanitary District met in regular session on November 30, 2011 at 5:30 p.m. at 628 W. 19th Street, Costa Mesa.

**PLEDGE OF
ALLEGIANCE**

Director Ferryman led the Pledge of Allegiance.

INVOCATION

Director Scheafer led the Invocation.

ROLL CALL

DIRECTORS PRESENT: Robert Ooten, James Ferryman,
Mike Scheafer, Jim Fitzpatrick, Art Perry

DIRECTORS ABSENT:

STAFF PRESENT: Scott Carroll, General Manager; Joan Revak,
Office Manager/Clerk of the District; Robin B.
Hamers, District Engineer; Alan Burns,
District Counsel; Sherry Kallab,
Administrative Manager; Marc Davis,
Treasurer; Teresa Gonzalez, Accounting
Manager

OTHERS PRESENT

Dean Ruffridge, CR&R
Debbie Morris, HF&H Consultant/Resident

ANNOUNCEMENT OF LATE COMMUNICATIONS

Ms. Revak provided a copy of Director Fitzpatrick's October 2011 expense reimbursement form that was not included in the Board packet.

CONSENT CALENDAR

REPORTS

MINUTE APPROVAL

Minutes of Sewer System Committee Meeting – October 18, 2011

The Minutes of the Sewer System Committee Meeting of October 18, 2011 were approved as distributed.

Minutes of Recycling Committee Meeting – October 24, 2011

The Minutes of the Recycling Committee Meeting of October 24, 2011 were approved as distributed.

Minutes of Regular Board Meeting – October 22, 2011

The Minutes of the Regular Board Meeting of October 22, 2011 were approved as distributed.

ENGINEER'S REPORTS

Project Status Report

The Project Status Report dated November 2011 was accepted as submitted.

Occupancy Report and Payment of \$197,152.38 to Costa Mesa Disposal – November 2011

The Trash Occupancy Count documented an increase of one unit for the occupancy report for solid waste collection as of November 1, 2011. Therefore, the total for October is 21,534 and the payment of \$197,152.38 was ratified.

Contract Payment of \$156,768.11 to CR Transfer – October 2011

The contract payment of \$156,768.11 to CR Transfer for recycling services and disposal for the month of October 2011 was ratified as submitted.

Contract Payment of \$9,923.37 to CR Transfer – Santa Ana Heights/Newport Beach – October 2011

The contract payment of \$9,923.37 to CR Transfer for recycling services and disposal for Santa Ana Heights/Newport Beach for the month of October 2011 was ratified as submitted.

Warrant Register for the month of October 2011 in the amount of \$597,153.29.

Warrant Resolution #CMSD 2012-5 was approved, authorizing the President and Secretary to sign the warrant ratifying the payment of certain claims and demands, and specifying the funds out of which the same were paid in the amount of \$597,153.29.

Directors Compensation & Reimbursement of Expenses for the month of September 2011.

Director Compensation and Expense Reimbursements for the month of September 2011 were approved and ratified as follows:

President Ooten: \$1,326.00
Vice President Ferryman: \$1,326.00 + \$436.79
Director Scheafer: \$1,326.00 + \$308.19
Director Perry: \$1,326.00 + \$692.35
Director Fitzpatrick: \$1,326.00 + \$253.11

Investment Report for the month of October 2011.

The Investment Report for the month of October 2011 was approved as submitted.

END OF CONSENT CALENDAR

Director Ferryman moved to accept the Consent. Director Scheafer seconded the motion. Motion carried 5-0.

WRITTEN COMMUNICATIONS

Ms. Revak presented a written communication from the Special District Risk Management Authority (SDRMA) providing the 2011 election results. The successful candidates were Ed Gray (Chino Valley Independent Fire District), Sandy Raffelson (Herlong Public Utility District) and Terry Burkhart (Bighorn-Desert View Water Agency).

PUBLIC COMMENTS

President Ooten invited public comments. There were no public comments.

GENERAL MANAGER'S REPORTS

BOARD OF DIRECTORS' HEALTH BENEFITS

Mr. Carroll reported on his research and survey of special district's cost for health benefits for Directors. Under the Public Employees' Medical and Hospital Care Act (PEMHCA), government agencies are required to pay a portion of public employees and elected officials health premiums. PEMHCA specifically states: "In order to participate, public agencies must agree to the regulations covering provisions of the benefits under PEMCHA. A key consideration is that the employer must agree to provide access to the health benefits to both active employees and annuitants on an equal basis. This means the employer is required to make specified and equal contributions towards premium costs for active employees and annuitants. The contribution levels are set in statute."

Mr. Carroll provided a recent survey conducted by the Orange County Grand Jury. More than half of the eighteen special districts surveyed, are paying health insurance for their board of directors. The insurance costs ranged from a low of \$3,796 (El Toro Water District) to a high of \$18,077 (Trabuco Canyon Water District). The average insurance cost for directors in Orange County is \$9,629, which is more than the total costs for all five CMSD Directors to enroll in the District's health insurance plan.

Mr. Carroll stated the CalPERS Health Insurance Plan is available to employees enrolled in a non-PERS retirement plan. The minimum cost of the District contribution for Board members in our 457 Plan will be \$1.00 per month per Board member. The total annual costs to the District will be \$60.00. Each year the contribution increases 5%. The total annual contribution in 35 years would be \$315.20 and the total contribution amount over the entire 35 year period would be \$5,419.22. Mr. Carroll stated there is sufficient money in the FY-2011-12 Budget to pay for these expenses.

Director Perry moved to approve Resolution No. 2011-806. Director Scheafer seconded the motion. Motion carried 4-1 with Director Fitzpatrick dissenting.

AMENDMENT TO EEC AGREEMENTS

Mr. Carroll reported the District has two agreements with Environmental Engineering & Contracting, Inc. (EEC), one for creating a district-wide Geographical Information System (GIS) and a Computerized Maintenance Management System (CMMS) and the other for implementing and enforcing the District's Fats, Grease and Oil (FOG) program for food service establishments.

EEC has finished creating a state of the art GIS for the District in support of our sewer operations and maintenance. The system can create maps illustrating a variety of different features to support District maintenance crew in the field such as location of manholes as well as manholes that are plugged and sealed, lateral location, cleaning analysis, etc. The GIS is currently live and being utilized; however, the system is currently on EEC's network server. EEC is planning on transferring the GIS to the District network server, and staff is scheduled to receive training on the system in the near future so that staff can access the system directly from the office and eventually in the field. The GIS is a system that is a continual work in progress that always needs updates to ensure the data is accurate. The District does not have the staff or resources to support the GIS. In contrast, EEC has on staff five GIS professionals that are trained and experienced in GIS. EEC has submitted a proposal to support the District utilizing GIS on an as needed basis and for requested work that is not identified in the original agreement. The proposal also includes inputting the sewer main centerline data so that it reflects the same centerline information found in the Legacy Atlas.

The CMMS is an electronic work order system that will enable staff to accurately log and maintain work history of the District's sewer system. It will also enable staff to generate new work orders and it can track staff's efficiencies in completing said work orders. The CMMS operates in conjunction with the GIS and is an integral part to ensuring our sewer system is operating effectively and efficiently.

FOG Program

EEC is responsible for developing and managing the District's FOG program at food service establishments (FSE), which includes enforcement procedures. For the past year, staff and EEC has been working with South Coast Plaza (SCP) management to reduce the hydrogen sulfide odors emitting from the District's pumping station located on SCP property. Preliminary results from a study conducted by EEC have demonstrated that when an FSE applies certain additives and/or chemicals into its grease interceptor, sulfide levels have diminished. Now, we want to expand the study to all restaurants at SCP to demonstrate their high sulfide levels do not comply with District code and then offer solutions to comply. The FSEs will be responsible for the monthly costs to apply additives and/or chemicals into their grease interceptors. EEC has submitted a proposal to expand the study to all restaurants at SCP.

Vice President Ferryman moved to approve both the First Amendment to the GIS/CMMS Agreement and the Second Amendment to the FOG Agreement. Director Perry seconded the motion. Motion carried 5-0.

ORDINANCE PROHIBITING UNAUTHORIZED USE OF TRASH CONTAINERS

Mr. Carroll presented Ordinance No. 87, prohibiting unauthorized use of trash containers. District Staff has received numerous complaints regarding inappropriate or unauthorized use of trash containers in the community. This ordinance will allow the CMSD to assist those who wish to address the misuse through a formal process. Residents must provide proof of the violation through pictures or video submitted to the CMSD office. A citation can also be issued if the CMSD Code Enforcement Officer witnesses the incident.

Vice President Ferryman moved to adopt CMSD Ordinance No. 87. Director Perry seconded the motion. Motion carried 5-0.

CONTRACT ADMINISTRATION/INSPECTION SERVICES FOR PROJECT #129 – BRISTOL STREET SEWER – PHASE 2.

Mr. Carroll reported bids were opened for Project #129 – Bristol Street Sewer Phase 2 on October 25, 2011. In addition to the construction contract, the District is required to contract out for the contract administration/inspection services to successfully administer this project. Robin B. Hamers & Assoc., Inc. submitted such a proposal for \$40,929.

More than two years ago, the rezoning of the east Santa Ana Heights area as part of the John Wayne Airport land use plan required the District to upsize the existing sewer line to provide additional capacity. This project is the last phase to replacing the sewer main on Bristol Street. The first phase, along with all the planning and designing phases was administered by Robin B. Hamers & Associates (RBH). His history and knowledge of these improvements make RBH the ideal firm to administer the contract for Phase 2.

Mr. Hamers graciously reduced his original proposal to provide administration/inspection services from \$49,640 to \$40,929, which is a savings of \$8,711. RBH revised proposal is also below the Orange County Development Agency's (OCDA) allocation of \$44,518 for administration cost of this project. OCDA is funding this project.

ZERO WASTE STRATEGIES

Mr. Carroll reported the Board of Directors held a special meeting on November 2, 2011 to discuss zero waste strategies. The Board identified several issues related to zero waste and directed Staff to bring back the list of issues to prioritize at a regular Board meeting.

Issues to be prioritized are:

- Public Opinion Survey
- Formulate a Zero Waste Plan
- Anaerobic Digestive System
- Variable Rate Study
- Organics Program

A Special meeting is scheduled for Wednesday, December 14, 2011 at 10:00 a.m. to formulate zero waste strategies.

RECYCLING COMMITTEE

The Recycling Committee meeting met on November 14, 2011. Director Fitzpatrick and Vice President Ferryman attended and gave a report on the meeting.

ENGINEER'S REPORTS

PROJECT #129 – BRISTOL STREET, PHASE 2 – BID OPENING & RECOMMENDATION

Mr. Hamers reported on the bid opening and recommendation for award of the construction contract for Project #129. Staff recommendation is to award a contract to the lowest responsive and responsible bidder, Repipe-CA, Inc. in the amount of \$299,700.00; to approve a 10% contingency budget of \$29,970 and approve a \$25,000 deposit to the City of Newport Beach to fund overtime inspection costs.

Bids were opened on October 25, 2011 and the low bidder was Repipe-CA, Inc. at \$299,700. The Engineer's estimate was \$386,500. Staff recommended awarding the bid to Repipe-CA, Inc.

Mr. Hamers stated, upon completion of the project, the Orange County Development Agency (OCDA) agreed to reimburse the District up to \$449,643, with the reimbursement broken down to include up to \$405,125 for construction costs and \$44,518 for administration costs. No District funding will be required for this project. The District funds budgeted for this project in the amount of \$134,117, will be reallocated into the District's asset management fund.

Vice President Ferryman moved to award contract for Project #129, Bristol Street, Phase 2 to Repipe-CA in the amount of \$299,700.00, to approve a 10% contingency budget of \$29,970 and approve a \$25,000 deposit to the City of Newport Beach to fund overtime inspection costs. Director Perry seconded the motion. Motion carried 5-0.

PROJECT #189 – REHABILITATION OF SIX SEWERS TRANSFERRED TO CMSD

Mr. Hamers presented an oral report on the South Coast Driver Sewer.

PROJECT #193 – SEISMIC STUDY AND RETROFIT FOR PUMPING STATIONS

Mr. Hamers reported the District retained structural engineer Jerry Tucker to perform a seismic study of the District's sewer pumping stations and make recommendations for retrofitting certain components to provide protection against major earthquakes. Mr. Hamers provided a review and recommendation regarding these protection measures.

The District's General Manager placed out for a Request for Proposal (RFP) a seismic study and retrofit of the District's pumping stations as a means to lessen the District's vulnerability to a 6.0 magnitude or greater earthquake. The study was awarded to the only RFP submitted, long-time local structural engineer Jerry Tucker of JTA Consulting Structural Engineers of Costa Mesa.

Director Perry moved to authorize the General Manager to implement Priority I (secure the above ground electrical enclosures), Priority II (provide back-up power), and Priority III (provide flexibility to withstand earth movement) now and implement Priority IV (provide additional support for pumping stations in liquefaction zones) and Priority V (secure together concrete grade rings in pumping station manhole openings) in the future. Vice President Ferryman seconded the motion. Motion carried 5-0.

SEWER SYSTEM COMMITTEE

President Ooten reported on the Sewer System Committee meeting held on November 8, 2011.

An update on all CMSD projects was provided.

TREASURER'S REPORTS

Mr. Davis had nothing to report.

ATTORNEY'S REPORTS

STANDING COMMITTEES

Mr. Burns presented CMSD Resolution No. 2011-805, Establishing Standing Committees. Director Perry moved to adopt CMSD Resolution No. 2011-805, Establishing Standing Committees. Director Scheafer seconded the motion. Motion carried 5-0.

CLERK OF THE DISTRICT REPORTS

2011 SCHOOL TELEPHONE BOOK RECYCLING PROGRAM

Ms. Revak provided the Board with a report on the 2011 School Telephone Book Recycling Program. The 2011 program will run from November 14 through December 16, 2011 with eighteen public and private schools participating.

LOCAL MEETINGS

ORANGE COUNTY SANITATION DISTRICT (OCSD)

Director Ferryman attended the OCSD meeting held on

SANTA ANA RIVER FLOOD PROTECTION AGENCY (SARFPA)

Director Perry reported on the Santa Ana River Flood Protection Agency held on Thursday, November 10, 2011 at 4:00 p.m.

INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY (ISDOC)

Vice President Ferryman moved to approve membership dues for 2012 in the amount of \$200.00. Director Scheafer seconded the motion. Motion carried 5-0.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA)

Director Perry moved to approve membership dues for 2012 in the amount of \$4,581.00. Director Ferryman seconded the motion. Motion carried 5-0.

OLD BUSINESS

There was no old business discussed.

NEW BUSINESS

NEW BUSINESS

INCOMPATIBILITY OF OFFICE BETWEEN COSTA MESA SANITARY DISTRICT AND MESA CONSOLIDATED WATER DISTRICT

Director Perry referred to a confidential memo presented to the Board by District Counsel. Director Fitzpatrick stated the new business to discuss should be limited to the incompatibility of office between the Costa Mesa Sanitary District and Mesa Consolidated Water District. Discussion was held on the item as it relates to the Mesa Consolidated Water District. Director Perry requested an item be placed on

the December regular meeting agenda titled, "Incompatibility of Office regarding and the City of Costa Mesa Planning Commission". Mr. Perry stated he feels it is incumbent upon the Board to receive District counsel advice on this subject. Another firm has provided information on this subject. President Ooten stated he has requested information from Mr. Burns on this subject as it relates to holding office on the CMSD and the City of Costa Mesa Planning Commission. Vice President Ferryman stated his opinion that the Board would be remiss in their duties as representing the Costa Mesa Sanitary District if they did not obtain professional advice on the subject.

Mr. Burns stated to make a determination in the matter of Incompatibility of Office requires permission of the State Attorney General to file a quo warranto action which is then presented to the Superior Court.

Director Fitzpatrick stated his objection to the matter of incompatibility of office as it relates to the Planning Commission.

Director Scheafer stated he was concerned about the lack of decorum. He further stated if there is a "gray" area, it should be determined by the Board to clear the area up; and it is the prudent thing to do.

Mr. Burns stated that, based on the Attorney General's reasoning, there is substantial likelihood that the office of the City of Costa Mesa Planning Commission and the Costa Mesa Sanitary District Board of Directors would be found incompatible by the Attorney General but that would only confer permission to file the quo warranto action. The ultimate decision would be made by a Superior Court judge.

Director Perry stated again his request to place the item of "Incompatibility of Office between the City of Costa Mesa Planning Commission and Director of the Costa Mesa Sanitary District" as well as possible expenditures related to the topic on the December 15, 2011 agenda.

Mr. Burns stated that he has a proposal from Meyers Nave for pursuing a quo warranto action.

Director Fitzpatrick motioned to receive and file the new business topic of "Incompatibility of Office between the Costa Mesa Sanitary District and Mesa Consolidated Water District." President Ooten seconded the motion. Motion carried 3-2.

Director Fitzpatrick requested approval for funds to seek his own proposals on the topic of incompatibility of office. He stated this topic is an attack on him, personally.

Director Scheafer stated he is looking for a decision on whether it is an issue, and if the Board should go forward; and it is not an attack against Director Fitzpatrick.

President Ooten stated the proposal is to have a discussion of Alan Burns' December 30, 2010 memo, and for the Board to be given an idea of cost of going forward with the topic of incompatibility of office.

Mr. Burns stated if the Board decides to go forward with the topic, he would not be comfortable presenting the quo warranto action against one of the Board members.

Director Fitzpatrick stated there is not sufficient time for him to get an opinion in the next two weeks and asked what action was expected from the Board and if only one legal opinion would be presented.

Director Ferryman stated Director Fitzpatrick could pick out another attorney than Meyers Nave and have them send the Board an opinion.

Mr. Burns asked Director Fitzpatrick what he was proposing. Director Fitzpatrick stated alternative opinions have been presented.

Director Perry stated the question is whether a person can hold a City planning commissioner office and the role of a Director on the Costa Mesa Sanitary and not an attack on Director Fitzpatrick; and this is what the Board wants to resolve.

Director Fitzpatrick stated the City has the same information and they are not spending money on it and reappointing me to a commission position over there. Director Fitzpatrick stated his opinion is that this issue was never about a run for Mesa Consolidated. Director Fitzpatrick stated he was concerned hearing that time and money was being spent with Alan Burns on Director Fitzpatrick and hiring Meyers Nave for an opinion on Director Fitzpatrick's compatibility to hold offices for the City of Costa Mesa and the Costa Mesa Sanitary District.

Director Scheafer stated in the election he was supported by residents who expect him to resolve a conflict and if there is a grey area Director Fitzpatrick should want the conflict resolved. Director Scheafer stated it was the prudent thing to do.

Director Scheafer requested to place the item of "Incompatibility of Office between the City of Costa Mesa Planning Commission and Director of the Costa Mesa Sanitary District" as well as "possible expenditures related to the topic" on the December 15, 2011 agenda. Director Ferryman seconded the motion. Director Fitzpatrick abstained from the vote. Measure was approved 4-1.

Director Fitzpatrick stated it is his opinion that it is a rush to judgment. Director Fitzpatrick stated that he renews his concern that bringing one option by one Director, the Board is depriving themselves of a fair and unbiased and in its entirety decision to not look at other alternatives, to only look at. Director Fitzpatrick stated the City does not see it as a problem.

Director Fitzpatrick stated, based on this matter, page 21 of Section 3.1 of the Operations Code warrants further review and requested it be placed on the January 2012 agenda for discussion.

ORAL COMMUNICATIONS AND DIRECTOR COMMENTS

Director Perry moved to add to the December 15, 2011 regular agenda the item "Discuss Incompatibility of the City Planning Commission position and the Costa Mesa Sanitary District Director position and possible expenditure of funds to ascertain the answers to the questions regarding incompatibility and to include the Meyers Nave proposal for pursuing a quo warranto action."

Director Fitzpatrick asked for additional time and that he feels it is a gray area and requires more time to explore the issue that he feels he is being called into question, and feels he is convicted before he has an opportunity to defend himself.

President Ooten stated a decision of the Board to expend money to further discuss this topic is part of the agenda item.

Director Scheafer stated he is looking for a discussion on December 15, 2011 of the findings on this subject at which time it would be decided to go further with the matter and costs involved.

President Ooten stated the item is for the Board to have a discussion of Attorney Burns December 30, 2010 memo and given an idea of the cost of proceeding with the matter, and determine whether to go forward with this matter.

President Ooten requested the item "Discussion of General Manager's Evaluation" be placed on the next agenda. President Ooten will prepare an evaluation based on input from the other Directors.

Mr. Carroll informed the Board and Staff that Friday, December 9, 2011 is Sherry Kallab's last day and a breakfast is being held on Thursday, December 8, from 9:00 to 11:00 a.m. at Mimi's Café on Harbor Blvd. where she will be honored, and awards will be presented to Staff.

ADJOURNMENT

President Ooten adjourned the meeting at 9:06 p.m.

Secretary

President

**COSTA MESA SANITARY DISTRICT
CAPITAL IMPROVEMENT PROGRAM FY2011-2012**

PROJECT:	#101 West Side Pumping Station Abandonment				
PROJECT MANAGER:	Rob Hamers, District Engineer				
DESCRIPTION:	Abandon 6 CMSD pumping stations, abandon the CNB station in the CNB island on W. 19th Street, and abandon the private pumping station on W. 18th Street by constructing new gravity lines. The project would also alleviate the north half of the Banning Ranch. A preliminary engineer's estimate is \$3 million.				
BEGIN DESIGN:	7/1/2012				
CONSTRUCTION COMPLETION DATE:	3/25/2019				
STATUS REPORT:					
8/26/10 CMSD staff and two Directors met with OCSD staff on 8/4/10 to discuss the framework of the project. OCSD will be constructing its own gravity sewer to accept the CMSD and CNB flows and send it under the Santa Ana River to OCSD Plant No. 2. OCSD					
9/23/10 - OCSD was provided with plans, maps and flow figures for their review. OCSD will be hiring a consultant to prepare the design for their facilities.					
10/26/10 - OCSD requested copies of all CMSD pumping station plans, which were provided. OCSD anticipates hiring a consultant to prepare an EIR and alignment study in 2011. CMSD requested a joint EIR.					
11/18/10 - No change.					
12/20/10 - No change.					
01/27/11 - No change.					
02/24/11 - No change. Staff will be contacting OCSD to review their status.					
03/24/11 - Staff met with OCSD Project Managers on 3/8/11 to review OCSD's scope of work and project timing.					
4/28/11 - Staff met with 3 proposed OCSD consultants to explain the project. OCSD's first phase of work will be an EIR and alignment study and the CMSD requested the OCSD EIR cover the CMSD work.					
5/26/11 - Staff met with another potential OCSD consultant to review OCSD's scope of work. OCSD will soon be publishing their RFP.					
6/23/11 - No change.					
7/28/11 - OCSD's preliminary schedule reflects completion of construction of OCSD's sewer facilities on 3/25/2019.					
8/25/11 - No change.					
STATUS REPORT CONTINUED:					
9/22/11 - OCSD is evaluating consultant proposals.					
10/27/11 - OCSD seleted Dudiek as its consultant and is finalizing the consultant contract.					
11/30/11 - No change.					
12/15/11 - OCSD staff attended CMSD SSC meeting on 11/8/11 to discuss project timeline.					
FINANCIAL STATUS through 11/30/11:					
Account Number	Approved Proj Budget	June 30, 2011 Accumulated	Current Year Expenditures	Encumbrances	Balance
#101	1,365,000	20,479	1,737	-	1,342,784
20					
Total	1,365,000	20,479	1,737	-	1,342,784

**COSTA MESA SANITARY DISTRICT
CAPITAL IMPROVEMENT PROGRAM
2011-2012**

PROJECT:	#129 Bristol Street Sewer Phase II				
PROJECT MANAGER:	Rob Hamers, District Engineer				
DESCRIPTION:	Increase sewer size in Bristol Street Southbound between Irvine Ave and Birch Street. Phase 1 constructed the first 1,400 L.F. and this phase will be the remaining 700 L.F. using pipe bursting. The Engineer's Estimate is \$461,758.				
START DATE:	10-Aug				
COMPLETION DATE:	Mid 2011				
STATUS REPORT:					
9/23/10 - The design phase has started with survey work to identify water valves in the vicinity of the new sewer line.					
10/26/10 - The Design phase is continuing including designing water line relocation plans for the portion of water line in conflict with the sewer.					
11/18/10 - A meeting was held 10/27/10 at IRWD and it appears the new sewer can be pipe bursted under the existing water line at Irvine Ave thereby alleviating the necessity to relocate the water line. Work on the plans is continuing.					
12/20/10 - The plans are being submitted for first plan check to the City of Newport Beach, OCDA, IRWD, and the Gas Company. Work on the specs is beginning.					
01/27/11 - The project specifications are being prepared.					
2/24/11 - The plans and specs are each 95% complete. Processing plans with other utilities is continuing and plans are still in plan check.					
03/24/11 - Staff is coordinating a soils investigation of Bristol Street where the pipe bursting excavations will occur.					
4/28/11 - Plans and specifications will be completed and the project placed out to bid when the soils investigation is complete.					
5/26/11 - Staff is obtaining additional proposals to have the soils investigation performed.					
6/23/11 - The General Manager is assisting in attempting to have Newport Beach allow drilling by a soils engineer with a C-57 license. Newport Beach now requires an "A" license.					
7/28/11 - The CMSD was required by Newport Beach to hire an "A" licensed contractor to oversee the soils drilling on Bristol Street.					
8/25/11 - The project should be out to bid by the end of August 2011.					
9/22/11 - The project went out to bid on 9/12/11 and bid opening is 10/25/11.					
10/27/11 - Bid opening is 10/25/11 and Board approval is scheduled for the November regular meeting.					
11/30/11 - Board award of construction contract is scheduled for 11/30/11 regular meeting.					
12/15/11 - The Board awarded the construction contract on 11/30/11 and the contractor is preparing his schedule.					
FINANCIAL STATUS through 11/30/11:					
Account Number	Approved Proj Budget	June 30, 2011 Accumulated Costs	Current Year Expenditures	Encumbrances	Balance
#129	1,682,969	1,093,447	5,937		583,585
20					
Total	1,682,969	1,093,447	5,937	-	583,585

**COSTA MESA SANITARY DISTRICT
CAPITAL IMPROVEMENT PROGRAM
2011-2012**

PROJECT:	#171 Irvine Pumping Station Force Main				
PROJECT MANAGER:	Rob Hamers, District Engineer				
DESCRIPTION:	Rehabilitate the existing 3,000 L.F. of 14 " force main by inserting a 12" HDPE liner. The portion of 12" PVC SDR 35 force main constructed with the pumping station to remain. The Engineer's Estimate is \$225,000.				
START DATE:	10-Aug				
COMPLETION DATE:	Mid 2011				
STATUS REPORT:					
9/23/10 - The design phase has started with survey work and aerial photogrammetric to prepare a base plan for design.					
10/26/10 - The design phase is continuing. The base plan is complete and work on the plan and profile has begun.					
11/18/10 - The profile of the existing force main and the location of the insertion pits has been added to the plans.					
12/20/10 - The plans are approximately 50% complete and work is continuing.					
01/27/11 - Proposals are being received for a soils investigation and report. Work is continuing on the plans and specs.					
02/24/11 - The plans are 60% complete and the specs are 10% complete. Staff obtaining information for the sliplining specs.					
03/24/11 - Staff is coordinating a soils investigation at 5 locations where excavations for the slip-lining will occur.					
04/28/11 - The soils investigation is in progress and the plans are 70% complete.					
05/26/11 - Design is proceeding including field and office staff meeting on May 10, 2011 to discuss bypass valve arrangement at Elden Pumping Station.					
6/23/11 - The plans are 85% complete and the specs are 35% complete.					
7/28/11 - The plans are 95% complete and the specs are 70% complete.					
8/25/11 - The permit for the work within County right-of-way has been issued. Staff is awaiting plan check comments from the City of Costa Mesa.					
9/22/11 - Costa Mesa finally provided their plan check comments after 8 weeks. Engineering staff is addressing the comments.					
10/27/11 - When the soils report is complete, the project will be placed out to bid.					
11/30/11 - Staff is reviewing the soils report and assembling final plans.					
12/15/11- The project will be out to bid in early December 2011.					
FINANCIAL STATUS through 11/30/11:					
Account Number	Approved Proj Budget	June 30, 2011 Accumulated Costs	Current Year Expenditures	Encumbrances	Balance
#171	539,558	245,808	4,049		289,701
20					
Total	539,558	245,808	4,049		289,701

**COSTA MESA SANITARY DISTRICT
CAPITAL IMPROVEMENT PROGRAM
2011-2012**

PROJECT:	#185 System Wide Sewer Reconstruction - Phase 1				
PROJECT MANAGER:	Rob Hamers, District Engineer				
DESCRIPTION:	Reconstruction of the Grade 5 sewer problems disclosed during the 2006-2009 televising project. There are 4 phases to the project with each phase reconstructing approximately 64 locations and the preliminary Engineer's Estimate for each phase if \$1 million.				
START DATE:	10-Aug				
COMPLETION DATE:	Mid 2011				
STATUS REPORT:					
9/23/10 - The design phase has begun and base maps and plans are being prepared.					
10/26/10 - The design phase is continuing. Grade 5 sewer repairs that are likely to collapse are being repaired immediately under a letter of agreement with local contractors.					
11/18/10 - Nearly all 64 locations for the project have been selected and videos viewed. A total of 4 Grade 5 repairs have been repaired outside the plans and specs due to possible collapsed pipes.					
12/20/10 - The plans are approximately 90% complete. After another review, the plans will be submitted to the City of Costa Mesa for plan check.					
01/27/11 - The plans were submitted to the City of Costa Mesa and the City of Newport Beach for 1st review.					
02/24/11 - The plans are 90% complete and the specs are 85% complete. Certain areas in Costa Mesa and Newport Beach require traffic control plans.					
03/24/11 - Plans were re-submitted to the City of Newport Beach for 2nd review.					
4/28/11 - The plans were returned from Newport Beach and Costa Mesa with minor comments. Once the utility crossings for the pipe replacement sections are complete, the project will be placed out to bid.					
5/26/11 - The project is out to bid with bid opening scheduled for 5/31/11.					
6/23/11 - Bids were opened 5/31/11 and the recommendation for award is on the 6/23/11 Regular Board Agenda.					
7/28/11 - The project is on the 7/28/11 regular Board agenda for award.					
8/25/11 - The project was awarded at the 7/28/11 regular meeting. The preconstruction meeting is scheduled for 8/09/11.					
9/22/11 - Construction is underway.					
10/27/11 - Construction is continuing and 22 additional Grade 5 repairs were added as extra work.					
11/30/11 - Construction is continuing and all sections with full length lining are complete.					
12/15/11 - Construction is continuing. Four sections of full length lining on Logan Avenue were added.					
FINANCIAL STATUS through 11/30/11:					
Account Number	Approved Proj Budget	June 30, 2011 Accumulated Costs	Current Year Expenditures	Encumbrances	Balance
#185	1,086,000	85,262	260,581		740,157
20					
Total	1,086,000	85,262	260,581	-	740,157

**COSTA MESA SANITARY DISTRICT
CAPITAL IMPROVEMENT PROGRAM
2011-12**

PROJECT:	#190 Canyon Force Main Rehabilitation				
PROJECT MANAGER:	Rob Hamers, District Engineer				
DESCRIPTION:	Either remove and replace or install a liner in a 450 foot section of 8" force main that has a thin pipe wall due to corrosion. Force main to be taken out of service in 2019.				
BEGIN DESIGN:	September-11				
APPROX. CONSTRUCTION COMPLETION DATE:	May-12				
STATUS REPORT:	<p>10/27/2011 - The design phase is underway. Plans are being prepared and engineers are studying the bypass operations.</p> <p>11/30/11 - The design phase is continuing.</p> <p>12/15/11 - The design phase is continuing.</p>				
FINANCIAL STATUS through 11/30/11:					
Account Number	Approved Proj Budget	June 30, 2011 Accumulated	Current Year Expenditures	Encumbrances	Balance
#190	75,000	-	1,544	-	73,456
20					
Total	75,000	-	1,544	-	73,456

**COSTA MESA SANITARY DISTRICT
CAPITAL IMPROVEMENT PROGRAM
2011-12**

PROJECT:	#192 System Wide Sewer Reconstruction - Phase 2				
PROJECT MANAGER:	Rob Hamers, District Engineer				
DESCRIPTION:	Phase 2 of Grade 5 repairs. Grade 5s are pipe problems ready for failure and were found during the 2006-2009 District-wide CCTV project. Due to low bids received in Phase 1 and the addition of 22 Grade 5s as extra work in Phase 1, there may only be three phases instead of four phases.				
BEGIN DESIGN:	October-11				
APPROX. CONSTRUCTION COMPLETION DATE:	Jun-12				
STATUS REPORT:	<p>10/27/2011 - The design phase is underway; videos are being viewed and plans are being prepared and engineers are studying the bypass operations.</p> <p>11/30/11 - The design phase is continuing.</p> <p>12/15/11 - The design phase is continuing.</p>				
FINANCIAL STATUS through 11/30/11:					
Account Number	Approved Proj Budget	June 30, 2011 Accumulated	Current Year Expenditures	Encumbrances	Balance
#192	1,175,000	-	6,321	-	1,168,679
20					
Total	1,175,000	-	6,321	-	1,168,679

**COSTA MESA SANITARY DISTRICT
CAPITAL IMPROVEMENT PROGRAM
2011-12**

PROJECT:	#193 Pumping Station Seismic Study and Retrofit				
PROJECT MANAGER:	Scott Carroll, General Manager				
DESCRIPTION:	Retain a Structural Engineer to prepare a report on the possible effects of a 6.0 magnitude earthquake on 14 of the District's pumping stations (the other 6 are scheduled for abandonment). Implement recommendations subject to allocated funds.				
BEGIN DESIGN:	March 31, 2011				
APPROX. CONSTRUCTION COMPLETION DATE:	Immediate to long term upgrades included in project.				
STATUS REPORT:	<p>10/27/2011 - Staff review of draft report occurred on 10/5/11 with subsequent meeting with consultant to be scheduled.</p> <p>11/30/11 - Consultant and staff agree Priority I, II, and III as shown in the consultant report should be implemented as soon as feasible.</p> <p>12/15/11 - The District Engineer is preparing a scope of work for the design phase.</p>				
FINANCIAL STATUS through 11/30/11:					
Account Number	Approved Proj Budget	June 30, 2011 Accumulated	Current Year Expenditures	Encumbrances	Balance
#193	100,000	-	21,375	-	78,625
Total	100,000	-	21,375	-	78,625



Costa Mesa Sanitary District

...an Independent Special District

Memorandum

To: Board of Directors

From: Janel Jackson, Permit Technician *Janel Jackson*

Date: December 1, 2011

Subject: **REFUND REQUEST FOR BOARD APPROVAL**

There were no refund requests for the month of November 2011.



Costa Mesa Sanitary District

... an Independent Special District

Board of Directors

Arlene Schafer
Robert Ooten
Gary Monahan
Arthur Perry
James Ferryman

December 1, 2011

Board of Directors
Costa Mesa Sanitary District
628 W. 19th Street
Costa Mesa, CA 92627-2716

Staff

Scott C. Carroll
General Manager

SUBJECT: TRASH OCCUPANCY COUNT

Dear Board of Directors:

Robin B. Hamers
District Engineer
(949) 631-1731

There is no increase for the occupancy report for solid waste collection as of December 1, 2011; therefore, the total occupancy count for December 1, 2011 is 21,534.

Joan Revak
Office Manager
Clerk of the District

Staff recommends the following:

Alan R. Burns
Legal Counsel

1. The Board of Directors accepts the occupancy count as presented using 21,534 as the correct number of units.
2. The Board of Directors directs staff to prepare a warrant to Costa Mesa Disposal for October collection based on this occupancy report so long as the contractor fulfills the obligations of the agreement. Said payment in the amount of \$197,152.38 to be ratified in the January 2012 warrant list.

Marcus D. Davis
Treasurer

Phone
(949) 645-8400
Fax
(949) 650-2253

Sincerely,

Sherry Kallab
Administrative Manager

Address
628 W. 19th Street
Costa Mesa, CA
92627-2716

cc: Costa Mesa Disposal
CMSD Permit Processing Department



Printed on
Recycled Paper

Protecting our community's health and the environment by providing solid waste and sewer collection services.
www.cmsdca.gov

REPRINT

INVOICE

Meeting Date 12/15/11
Item Number VI. C. 9.**CRTRANSFER**
INCORPORATED

STANTON, CA 90680-0125

TERMS: NET 10 DAYS

00000187583

TO PAY BY CREDIT
CARD, PLEASE FILL
IN INFORMATION ON BACK
OF REMITTANCE

INVOICE #:

18758

INVOICE DATE:

12/01/11

BILL TO:

COSTA MESA SANI DIST AREA 9
628 W 19TH ST
COSTA MESA CA 92627COSTA MESA SANI DIST AREA 9
P.O. BOX 1200
COSTA MESA CA 92627

09- CUSTOMER # 92

PREVIOUS AMOUNT DUE

160,144.65

PAYMENTS

.00

CURRENT CHARGES

743.09-

TOTAL DUE

159,401.56

Please detach here and return with your payment

CHECK #

CR TRANSFER, INC.

DATE	DESCRIPTION	TICKET	TONS	RATE	TOTAL
11/01/11	RESIDENTIAL WASTE	14	140.09	52.220	7,315.50
11/02/11	RESIDENTIAL WASTE	15	148.13	52.220	7,735.35
11/02/11	ADJUST TICKET 1598969		13.30	52.220	694.53-
11/03/11	RESIDENTIAL WASTE	14	149.46	52.220	7,804.80
11/04/11	RESIDENTIAL WASTE	13	131.63	52.220	6,873.72
11/07/11	RESIDENTIAL WASTE	17	177.23	52.220	9,254.95
11/07/11	ADJUST TICKET 1600678		11.33	52.220	591.65-
11/08/11	RESIDENTIAL WASTE	15	138.67	52.220	7,241.35
11/09/11	RESIDENTIAL WASTE	14	117.80	52.220	6,151.52
11/10/11	RESIDENTIAL WASTE	14	133.73	52.220	6,983.38
11/11/11	RESIDENTIAL WASTE	13	121.40	52.220	6,339.51
11/14/11	RESIDENTIAL WASTE	15	141.37	52.220	7,382.34
11/15/11	RESIDENTIAL WASTE	14	136.44	52.220	7,124.90
11/16/11	RESIDENTIAL WASTE	13	119.27	52.220	6,228.28
11/17/11	RESIDENTIAL WASTE	14	136.55	52.220	7,130.64
11/18/11	RESIDENTIAL WASTE	13	123.50	52.220	6,449.17
11/21/11	RESIDENTIAL WASTE	16	154.51	52.220	8,068.51
11/22/11	RESIDENTIAL WASTE	13	122.10	52.220	6,376.06
11/22/11	RESIDENTIAL WASTE		10.40	52.220	543.09
11/23/11	RESIDENTIAL WASTE	12	115.81	52.220	6,047.60
11/25/11	RESIDENTIAL WASTE	15	146.10	52.220	7,629.34
11/26/11	RESIDENTIAL WASTE	14	144.75	52.220	7,558.85
11/28/11	RESIDENTIAL WASTE	16	184.37	52.220	9,627.80
11/29/11	RESIDENTIAL WASTE	14	150.78	52.220	7,873.73
11/30/11	RESIDENTIAL WASTE	13	137.67	52.220	7,189.13

IF YOU HAVE ANY QUESTIONS REGARDING ANY PART OF THIS INVOICE, PLEASE CALL

(714) 826-9049

PREVIOUS AMOUNT DUE

PAYMENTS

CURRENT CHARGES

TOTAL DUE

INVOICE TOTAL

(Cont.)

CUSTOMER #:

INVOICE #

OVERDUE AMOUNTS SUBJECT TO FINANCE CHARGE

MAIL PAYMENTS TO:
CR TRANSFER INC
P. O. BOX 125
STANTON, CA 90680-0125
TERMS: NET 10 DAYS



INVOICE DATE:
12/01/11

BILL TO:

COSTA MESA SANI DIST AREA 9
P.O. BOX 1200
COSTA MESA CA 92627

09- CUSTOMER # 9 2

TOTAL DUE

159,401.56

CHECK #

[illegible]

(714) 826-9049

TOTAL DUE

TOTAL DUE
139,401.58

~~159643.34~~

INVOICE # 18758

 Printed on Recycled Paper

REPRINT

INVOICE

CRTRANSFER
INCORPORATEDMAIL PAYMENTS TO:
CR TRANSFER INC
P. O. BOX 125
STANTON, CA 90680-0125

TERMS: NET 10 DAYS

0 57800187592

TO PAY BY CREDIT
CARD, PLEASE FILL
IN INFORMATION ON BACK
OF REMITTANCE

INVOICE #:

INVOICE DATE:

18759

12/01/11

BILL TO:

COSTA MESA SANI DIST-SA HGT
628 W 19TH ST
COSTA MESA CA 92627COSTA MESA SANI DIST-SA HGT
P.O. BOX 1200
COSTA MESA CA 9262709- CUSTOMER #:
11 8

PREVIOUS AMOUNT DUE

PAYMENTS

CURRENT CHARGES

TOTAL DUE

11,607.98

.00

535.78

12,143.76

Please detach here and return with your payment

CHECK #

CR TRANSFER, INC.

DATE	DESCRIPTION	TICKET	TONS	RATE	TOTAL
11/01/11	RESIDENTIAL WASTE	1	7.74	52.220	404.18
11/02/11	RESIDENTIAL WASTE	3	31.41	52.220	1,640.23
11/08/11	RESIDENTIAL WASTE	1	8.96	52.220	467.89
11/09/11	RESIDENTIAL WASTE	4	40.51	52.220	2,115.43
11/15/11	RESIDENTIAL WASTE		10.26	52.220	535.78
11/16/11	RESIDENTIAL WASTE	4	39.41	52.220	2,057.99
11/22/11	RESIDENTIAL WASTE	1	6.94	52.220	362.41
11/23/11	RESIDENTIAL WASTE	4	40.22	52.220	2,100.29
11/30/11	RESIDENTIAL WASTE	4	47.10	52.220	2,459.56
TOTALS		22	232.55		12,143.76

IF YOU HAVE ANY QUESTIONS REGARDING ANY PART OF THIS INVOICE, PLEASE CALL

(714) 826-9049

PREVIOUS AMOUNT DUE

PAYMENTS

CURRENT CHARGES

TOTAL DUE

INVOICE TOTAL

11,607.98

.00

535.78

12,143.76

12143.76

CUSTOMER #: 09- 11 8
P.O. BOX 1200

INVOICE # 18759

OVERDUE AMOUNTS SUBJECT TO FINANCE CHARGE

**COSTA MESA SANITARY DISTRICT
Warrant Resolution No. CMSD 2012-6**

**A RESOLUTION OF THE COSTA MESA SANITARY DISTRICT
RATIFYING THE PAYMENT OF CERTAIN CLAIMS AND DEMANDS, AND
SPECIFYING THE FUNDS OUT OF WHICH THE SAME WERE PAID.**

THE BOARD OF DIRECTORS OF THE COSTA MESA SANITARY DISTRICT
DOES HEREBY ORDER AND RESOLVE AS FOLLOWS:

Section 1. That the attached claims and demands totaling \$1,250,266.62 have been audited as required by law and that the same were paid out of respective funds as hereinafter set forth.

Section 2. That the Clerk of the District shall certify to the adoption of this Resolution and shall retain a certified copy thereof in her own records.

PASSED AND ADOPTED this 15th day of December 2011.

ATTEST:

Secretary

President

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
COSTA MESA SANITARY DISTRICT)

I, JOAN REVAK, Clerk of the Costa Mesa Sanitary District, hereby certify that the foregoing Warrant Resolution No. CMSD 2012-6 was duly adopted by the Costa Mesa Sanitary District at a regular meeting held on the 15th day of December 2011.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of the Costa Mesa Sanitary District on this 15th day of December 2011.

Clerk of the Costa Mesa Sanitary District

Accounts Payable

Checks for Approval

COSTA MESA SANITARY DISTRICT

...an Independent Special District

User: tgonzalez

Printed: 11/30/2011 - 1:26 PM

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Amount
0	11/02/2011	Liquid Waste Fund	Federal Withholding Taxes	Internal Revenue Service	4,813.92
0	11/02/2011	Liquid Waste Fund	FICA - Employee	Internal Revenue Service	46.43
0	11/02/2011	Liquid Waste Fund	FICA - Employee	Internal Revenue Service	68.53
0	11/02/2011	Liquid Waste Fund	Medicare - Employee	Internal Revenue Service	524.08
0	11/02/2011	Liquid Waste Fund	Medicare - Employee	Internal Revenue Service	524.08
Check Total:					5,977.04
0	11/02/2011	Liquid Waste Fund	State Withholding Taxes	State of Cal Emp Dev Dept	1,882.00
Check Total:					1,882.00
0	11/02/2011	Liquid Waste Fund	PERS Retirement	Cal Pers Employee Ret System	149.42
0	11/02/2011	Liquid Waste Fund	PERS Retirement	Cal Pers Employee Ret System	254.01
0	11/02/2011	Liquid Waste Fund	PERS Retirement	Cal Pers Employee Ret System	2,134.54
0	11/02/2011	Liquid Waste Fund	PERS Retirement	Cal Pers Employee Ret System	87.92
0	11/02/2011	Liquid Waste Fund	PERS Retirement	Cal Pers Employee Ret System	3,734.72
0	11/02/2011	Liquid Waste Fund	PERS Survivor Benefit	Cal Pers Employee Ret System	10.23
Check Total:					6,370.84
0	11/02/2011	Liquid Waste Fund	Federal Withholding Taxes	Internal Revenue Service	629.73
0	11/02/2011	Liquid Waste Fund	FICA - Employee	Internal Revenue Service	380.55
0	11/02/2011	Liquid Waste Fund	FICA - Employee	Internal Revenue Service	561.77
0	11/02/2011	Liquid Waste Fund	Medicare - Employee	Internal Revenue Service	131.40
0	11/02/2011	Liquid Waste Fund	Medicare - Employee	Internal Revenue Service	131.40
Check Total:					1,834.85
0	11/07/2011	Liquid Waste Fund	PERS Medical	Cal PERS	6,786.50
0	11/07/2011	Liquid Waste Fund	Benefits Admin Costs	Cal PERS	37.80
0	11/07/2011	Liquid Waste Fund	Benefit Administration	Cal PERS	37.80

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Amount
0	11/07/2011	Solid Waste Fund	Benefits Admin Costs	Cal PERS	2.54
0	11/07/2011	Liquid Waste Fund	Benefits Admin Costs	Cal PERS	22.85
Check Total:					6,887.49
0	11/14/2011	Liquid Waste Fund	Federal Withholding Taxes	Internal Revenue Service	4,873.45
0	11/14/2011	Liquid Waste Fund	FICA - Employee	Internal Revenue Service	40.97
0	11/14/2011	Liquid Waste Fund	FICA - Employee	Internal Revenue Service	60.48
0	11/14/2011	Liquid Waste Fund	Medicare - Employee	Internal Revenue Service	547.83
0	11/14/2011	Liquid Waste Fund	Medicare - Employee	Internal Revenue Service	547.83
Check Total:					6,070.56
0	11/14/2011	Liquid Waste Fund	State Withholding Taxes	State of Cal Emp Dev Dept	1,906.73
Check Total:					1,906.73
0	11/14/2011	Liquid Waste Fund	PERS Retirement	Cal Pers Employee Ret System	150.39
0	11/14/2011	Liquid Waste Fund	PERS Retirement	Cal Pers Employee Ret System	255.65
0	11/14/2011	Liquid Waste Fund	PERS Retirement	Cal Pers Employee Ret System	2,148.29
0	11/14/2011	Liquid Waste Fund	PERS Retirement	Cal Pers Employee Ret System	200.42
0	11/14/2011	Liquid Waste Fund	PERS Retirement	Cal Pers Employee Ret System	3,893.72
0	11/14/2011	Liquid Waste Fund	PERS Survivor Benefit	Cal Pers Employee Ret System	11.16
0	11/14/2011	Liquid Waste Fund	PERS - Employer	Cal Pers Employee Ret System	87.96
Check Total:					6,747.59
0	11/15/2011	Solid Waste Fund	Investment Earnings	Bank of America	388.01
Check Total:					388.01
0	11/25/2011	Solid Waste Fund	Equipment Maintenance	Automatic Data Processing, Inc	6.15
0	11/25/2011	Liquid Waste Fund	Equipment Maintenance	Automatic Data Processing, Inc	55.36
Check Total:					61.51
0	11/30/2011	Liquid Waste Fund	Federal Withholding Taxes	Internal Revenue Service	4,834.01
0	11/30/2011	Liquid Waste Fund	FICA - Employee	Internal Revenue Service	42.89
0	11/30/2011	Liquid Waste Fund	FICA - Employee	Internal Revenue Service	63.31
0	11/30/2011	Liquid Waste Fund	Medicare - Employee	Internal Revenue Service	546.13
0	11/30/2011	Liquid Waste Fund	Medicare - Employee	Internal Revenue Service	546.13

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Amount
Check Total:					6,032.47
0	11/30/2011	Liquid Waste Fund	State Withholding Taxes	State of Cal Emp Dev Dept	1,887.94
Check Total:					1,887.94
0	11/30/2011	Liquid Waste Fund	PERS Retirement	Cal Pers Employee Ret System	149.67
0	11/30/2011	Liquid Waste Fund	PERS Retirement	Cal Pers Employee Ret System	254.44
0	11/30/2011	Liquid Waste Fund	PERS Retirement	Cal Pers Employee Ret System	2,138.12
0	11/30/2011	Liquid Waste Fund	PERS Retirement	Cal Pers Employee Ret System	200.42
0	11/30/2011	Liquid Waste Fund	PERS Retirement	Cal Pers Employee Ret System	3,876.44
0	11/30/2011	Liquid Waste Fund	PERS Survivor Benefit	Cal Pers Employee Ret System	11.16
0	11/30/2011	Liquid Waste Fund	PERS - Employer	Cal Pers Employee Ret System	99.12
Check Total:					6,729.37
0	11/30/2011	Liquid Waste Fund	Federal Withholding Taxes	Internal Revenue Service	282.01
0	11/30/2011	Liquid Waste Fund	FICA - Employee	Internal Revenue Service	222.76
0	11/30/2011	Liquid Waste Fund	FICA - Employee	Internal Revenue Service	328.84
0	11/30/2011	Liquid Waste Fund	Medicare - Employee	Internal Revenue Service	76.92
0	11/30/2011	Liquid Waste Fund	Medicare - Employee	Internal Revenue Service	76.92
Check Total:					987.45
9116	11/04/2011	Liquid Waste Fund	Employee Insurance	AFLAC	729.26
Check Total:					729.26
9117	11/04/2011	Solid Waste Fund	Office Supplies	Ariel Supply, Inc.	34.78
9117	11/04/2011	Liquid Waste Fund	Office Supplies	Ariel Supply, Inc.	313.04
Check Total:					347.82
9118	11/04/2011	Liquid Waste Fund	Sewer Maint-Telephone	AT&T	292.53
Check Total:					292.53
9119	11/04/2011	Solid Waste Fund	Investment Earnings	Bank of New York	1,500.00
Check Total:					1,500.00
9120	11/04/2011	Liquid Waste Fund	Sewer Maint-Small Tools/Eq	Bank of America	21.54

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Amount
9120	11/04/2011	Liquid Waste Fund	Sewer Maint-Material/Supplies	Bank of America	42.92
9120	11/04/2011	Liquid Waste Fund	Sewer Maint-Material/Supplies	Bank of America	94.11
9120	11/04/2011	Liquid Waste Fund	Sewer Maint-Material/Supplies	Bank of America	97.85
9120	11/04/2011	Liquid Waste Fund	Sewer Maint-Material/Supplies	Bank of America	65.86
9120	11/04/2011	Liquid Waste Fund	Sewer Maint-Staff Development	Bank of America	59.55
9120	11/04/2011	Liquid Waste Fund	Sewer Maint-Material/Supplies	Bank of America	18.29
9120	11/04/2011	Liquid Waste Fund	Sewer Maint-Office Supplies	Bank of America	79.36
9120	11/04/2011	Solid Waste Fund	Travel/Meals/Lodging	Bank of America	32.14
9120	11/04/2011	Liquid Waste Fund	Travel/Meals/Lodging	Bank of America	289.26
9120	11/04/2011	Liquid Waste Fund	Travel/Meals/Lodging	Bank of America	83.46
9120	11/04/2011	Solid Waste Fund	Travel/Meals/Lodging	Bank of America	9.27
9120	11/04/2011	Solid Waste Fund	Building Maintenance	Bank of America	6.50
9120	11/04/2011	Liquid Waste Fund	Building Maintenance	Bank of America	58.45
9120	11/04/2011	Solid Waste Fund	Staff Development	Bank of America	2.50
9120	11/04/2011	Liquid Waste Fund	Staff Development	Bank of America	22.50
9120	11/04/2011	Liquid Waste Fund	Staff Development	Bank of America	16.20
9120	11/04/2011	Solid Waste Fund	Staff Development	Bank of America	1.80
9120	11/04/2011	Solid Waste Fund	Travel/Meals/Lodging	Bank of America	1.50
9120	11/04/2011	Liquid Waste Fund	Travel/Meals/Lodging	Bank of America	13.46
9120	11/04/2011	Liquid Waste Fund	Travel/Meals/Lodging	Bank of America	604.24
9120	11/04/2011	Solid Waste Fund	Travel/Meals/Lodging	Bank of America	67.14
9120	11/04/2011	Solid Waste Fund	Travel/Meals/Lodging	Bank of America	23.56
9120	11/04/2011	Liquid Waste Fund	Travel/Meals/Lodging	Bank of America	212.05
9120	11/04/2011	Liquid Waste Fund	Staff Development	Bank of America	328.79
9120	11/04/2011	Solid Waste Fund	Staff Development	Bank of America	36.53
9120	11/04/2011	Solid Waste Fund	Travel/Meals/Lodging	Bank of America	1.50
9120	11/04/2011	Liquid Waste Fund	Travel/Meals/Lodging	Bank of America	13.50
9120	11/04/2011	Liquid Waste Fund	Bristol St Pump-Contract Labor	Bank of America	31.95
9120	11/04/2011	Solid Waste Fund	Travel/Meals/Lodging	Bank of America	6.31
9120	11/04/2011	Liquid Waste Fund	Travel/Meals/Lodging	Bank of America	56.82
9120	11/04/2011	Solid Waste Fund	Travel/Meals/Lodging	Bank of America	3.00
9120	11/04/2011	Liquid Waste Fund	Travel/Meals/Lodging	Bank of America	27.00
9120	11/04/2011	Solid Waste Fund	Office Supplies	Bank of America	1.94
9120	11/04/2011	Liquid Waste Fund	Office Supplies	Bank of America	17.44
9120	11/04/2011	Solid Waste Fund	Travel/Meals/Lodging	Bank of America	28.42
9120	11/04/2011	Liquid Waste Fund	Travel/Meals/Lodging	Bank of America	255.77
9120	11/04/2011	Solid Waste Fund	Staff Development	Bank of America	2.46
9120	11/04/2011	Liquid Waste Fund	Staff Development	Bank of America	22.14
9120	11/04/2011	Solid Waste Fund	Staff Development	Bank of America	6.11
9120	11/04/2011	Liquid Waste Fund	Staff Development	Bank of America	55.02
9120	11/04/2011	Solid Waste Fund	Staff Development	Bank of America	3.73
9120	11/04/2011	Liquid Waste Fund	Staff Development	Bank of America	33.58
9120	11/04/2011	Solid Waste Fund	Staff Development	Bank of America	25.77
9120	11/04/2011	Liquid Waste Fund	Staff Development	Bank of America	231.89
9120	11/04/2011	Solid Waste Fund	Staff Development	Bank of America	36.53

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Amount
9120	11/04/2011	Liquid Waste Fund	Staff Development	Bank of America	328.79
9120	11/04/2011	Solid Waste Fund	Travel/Meals/Lodging	Bank of America	65.08
9120	11/04/2011	Liquid Waste Fund	Travel/Meals/Lodging	Bank of America	585.74
9120	11/04/2011	Solid Waste Fund	Professional Services	Bank of America	5.00
9120	11/04/2011	Liquid Waste Fund	Professional Services	Bank of America	44.95
9120	11/04/2011	Solid Waste Fund	Travel/Meals/Lodging	Bank of America	36.53
9120	11/04/2011	Liquid Waste Fund	Travel/Meals/Lodging	Bank of America	328.79
Check Total:					4,544.59
9121	11/04/2011	Solid Waste Fund	Legal Services	Alan R. Burns	684.18
9121	11/04/2011	Liquid Waste Fund	Legal Services	Alan R. Burns	1,270.62
9121	11/04/2011	Liquid Waste Fund	Legal Services	Alan R. Burns	253.40
9121	11/04/2011	Solid Waste Fund	Legal Services	Alan R. Burns	452.50
9121	11/04/2011	Solid Waste Fund	Legal Services	Alan R. Burns	120.36
9121	11/04/2011	Liquid Waste Fund	Legal Services	Alan R. Burns	223.54
Check Total:					3,004.60
9122	11/04/2011	Solid Waste Fund	Travel/Meals/Lodging	California Assoc Of Public Cem	11.80
9122	11/04/2011	Liquid Waste Fund	Travel/Meals/Lodging	California Assoc Of Public Cem	106.20
Check Total:					118.00
9123	11/04/2011	Solid Waste Fund	Fiscal Services	CBIZ ATA Orange County LLC	740.32
9123	11/04/2011	Liquid Waste Fund	Fiscal Services	CBIZ ATA Orange County LLC	1,374.88
Check Total:					2,115.20
9124	11/04/2011	Liquid Waste Fund	Capital Outlay	CDW Government	1,173.41
Check Total:					1,173.41
9125	11/04/2011	Liquid Waste Fund	Sewer Maint-Equipment Maint	City of Costa Mesa	764.01
9125	11/04/2011	Liquid Waste Fund	Sewer Maint-Equipment Maint	City of Costa Mesa	242.56
9125	11/04/2011	Liquid Waste Fund	Sewer Maint-Equipment Maint	City of Costa Mesa	73.20
9125	11/04/2011	Liquid Waste Fund	Sewer Maint-Equipment Maint	City of Costa Mesa	329.40
Check Total:					1,409.17
9126	11/04/2011	Solid Waste Fund	Professional Services	Computer Masters	67.50
9126	11/04/2011	Liquid Waste Fund	Professional Services	Computer Masters	607.50

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Amount
Check Total:					675.00
9127	11/04/2011	Liquid Waste Fund	Sewer Maint-Pump Stn Contract	C&R Drains Inc.	280.00
Check Total:					280.00
9128	11/04/2011	Solid Waste Fund	Staff Development	Cal Soc of Muni Finance Office	11.00
9128	11/04/2011	Liquid Waste Fund	Staff Development	Cal Soc of Muni Finance Office	99.00
Check Total:					110.00
9129	11/04/2011	Solid Waste Fund	Fiscal Services	White Nelson Diehl Evans LLP	2,154.25
9129	11/04/2011	Liquid Waste Fund	Fiscal Services	White Nelson Diehl Evans LLP	4,000.75
Check Total:					6,155.00
9130	11/04/2011	Liquid Waste Fund	Sewer Maint-FOG Prog Contract	Environmental Engr & Cont, Inc	8,315.27
Check Total:					8,315.27
9131	11/04/2011	Liquid Waste Fund	Capital Outlay	EPC	5,471.75
Check Total:					5,471.75
9132	11/04/2011	Solid Waste Fund	Gas - Building	The Gas Company	1.78
9132	11/04/2011	Liquid Waste Fund	Gas - Building	The Gas Company	16.03
9132	11/04/2011	Liquid Waste Fund	Sewer Maint-Gas Bldg	The Gas Company	21.31
Check Total:					39.12
9133	11/04/2011	Liquid Waste Fund	Irvine PS Free Main#171-Contr	Geo-ETKA, Inc.	3,900.00
Check Total:					3,900.00
9134	11/04/2011	Liquid Waste Fund	Sewer Maint-Swr Lateral Prog	John Geyer	1,800.00
Check Total:					1,800.00
9135	11/04/2011	Liquid Waste Fund	Sewer Maint-Annual Sewer Maint	Godwin Pumps of America, Inc.	622.29
9135	11/04/2011	Liquid Waste Fund	Sewer Maint-Annual Sewer Maint	Godwin Pumps of America, Inc.	2,565.83
9135	11/04/2011	Liquid Waste Fund	Sewer Maint-Annual Sewer Maint	Godwin Pumps of America, Inc.	326.03
9135	11/04/2011	Liquid Waste Fund	Sewer Maint-Annual Sewer Maint	Godwin Pumps of America, Inc.	5,543.14

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Amount
9135	11/04/2011	Liquid Waste Fund	Sewer Maint-Annual Sewer Maint	Godwin Pumps of America, Inc.	250.00
9135	11/04/2011	Liquid Waste Fund	Sewer Maint-Annual Sewer Maint	Godwin Pumps of America, Inc.	4,917.00
Check Total:					14,224.29
9136	11/04/2011	Liquid Waste Fund	Sewer Maint-Material/Supplies	Golden Bell Products, Inc.	1,540.83
Check Total:					1,540.83
9137	11/04/2011	Liquid Waste Fund	Sewer Maint-Material/Supplies	Grainger	89.10
9137	11/04/2011	Liquid Waste Fund	Sewer Maint-Equipment Maint	Grainger	44.33
Check Total:					133.43
9138	11/04/2011	Liquid Waste Fund	Engineering/Architectual Serv	Robin B. Hamers & Assoc., Inc.	1,400.00
9138	11/04/2011	Liquid Waste Fund	Engineering/Architectual Serv	Robin B. Hamers & Assoc., Inc.	5,886.50
9138	11/04/2011	Liquid Waste Fund	Sewer Maint-Annual Sewer Maint	Robin B. Hamers & Assoc., Inc.	7,092.75
9138	11/04/2011	Liquid Waste Fund	Plan Ck/Inspection-Inside	Robin B. Hamers & Assoc., Inc.	2,943.25
9138	11/04/2011	Liquid Waste Fund	Plan Ck/Inspection-Inside	Robin B. Hamers & Assoc., Inc.	6,127.50
9138	11/04/2011	Liquid Waste Fund	Plan Ck/Inspection-Outside	Robin B. Hamers & Assoc., Inc.	1,495.75
9138	11/04/2011	Liquid Waste Fund	Plan Ck/Inspection-Outside	Robin B. Hamers & Assoc., Inc.	225.75
9138	11/04/2011	Liquid Waste Fund	Plan Ck/Inspection-Swr Lateral	Robin B. Hamers & Assoc., Inc.	1,596.38
9138	11/04/2011	Liquid Waste Fund	Sewer Maint-Inflow Reduction	Robin B. Hamers & Assoc., Inc.	129.00
9138	11/04/2011	Liquid Waste Fund	Westside Aband#101-Cont Svc	Robin B. Hamers & Assoc., Inc.	337.75
9138	11/04/2011	Liquid Waste Fund	Bristol St Pump-Contract Labor	Robin B. Hamers & Assoc., Inc.	144.75
9138	11/04/2011	Liquid Waste Fund	Grade 5 CCTV Improvements	Robin B. Hamers & Assoc., Inc.	2,846.75
9138	11/04/2011	Liquid Waste Fund	Grade 5 CCTV Improvements	Robin B. Hamers & Assoc., Inc.	5,627.63
9138	11/04/2011	Liquid Waste Fund	Rehab of (6)Swrs Transfrd #189	Robin B. Hamers & Assoc., Inc.	2,364.25
9138	11/04/2011	Liquid Waste Fund	Rehab of (6)Swrs Transfrd #189	Robin B. Hamers & Assoc., Inc.	1,838.25
9138	11/04/2011	Liquid Waste Fund	System Wide Swr Recon Ph2 #192	Robin B. Hamers & Assoc., Inc.	6,320.75
Check Total:					46,377.01
9139	11/04/2011	Liquid Waste Fund	Sewer Maint-Equipment Maint	HUB Auto Supply	68.62
Check Total:					68.62
9140	11/04/2011	Solid Waste Fund	Prof Membership/Dues	International City/County Mana	126.60
9140	11/04/2011	Liquid Waste Fund	Prof Membership/Dues	International City/County Mana	1,139.36
Check Total:					1,265.96
9141	11/04/2011	Liquid Waste Fund	Sewer Maint-Swr Lateral Prog	Rael Isacowitz	1,175.00

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Amount
Check Total:					1,175.00
9142	11/04/2011	Liquid Waste Fund	Sewer Maint-Pump Stn Contract	Jimni Systems, Inc	509.70
Check Total:					509.70
9143	11/04/2011	Solid Waste Fund	Public Info/Ed/Community Promo	King Badge & Button Co, Inc.	16.51
9143	11/04/2011	Liquid Waste Fund	Public Info/Ed/Community Promo	King Badge & Button Co, Inc.	148.57
Check Total:					165.08
9144	11/04/2011	Solid Waste Fund	Legal Services	Liebert Cassidy Whitmore	77.00
9144	11/04/2011	Liquid Waste Fund	Legal Services	Liebert Cassidy Whitmore	143.00
Check Total:					220.00
9145	11/04/2011	Liquid Waste Fund	Sewer Maint-Small Tools/Eq	Lifecom	716.17
Check Total:					716.17
9146	11/04/2011	Liquid Waste Fund	Sewer Maint-Annual Sewer Maint	Manhole Adjusting Inc.	855.00
Check Total:					855.00
9147	11/04/2011	Liquid Waste Fund	Sewer Maint- Water Pumps	Mesa Consolidated Water Dist	19.00
9147	11/04/2011	Liquid Waste Fund	Sewer Maint- Water Pumps	Mesa Consolidated Water Dist	19.00
9147	11/04/2011	Liquid Waste Fund	Sewer Maint- Water Pumps	Mesa Consolidated Water Dist	19.00
9147	11/04/2011	Solid Waste Fund	Water - Building	Mesa Consolidated Water Dist	23.62
9147	11/04/2011	Liquid Waste Fund	Water - Building	Mesa Consolidated Water Dist	212.58
Check Total:					293.20
9148	11/04/2011	Liquid Waste Fund	Public Info/Ed/Community Promo	Mouse Graphics	662.66
9148	11/04/2011	Solid Waste Fund	Telephone Bk Recycling Program	Mouse Graphics	1,655.04
Check Total:					2,317.70
9149	11/04/2011	Liquid Waste Fund	Sewer Maint-Annual Sewer Maint	Nikola Corporation	5,100.00
Check Total:					5,100.00
9150	11/04/2011	Solid Waste Fund	Office Supplies	Noack Awards Engraving & Promo	2.53

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Amount
9150	11/04/2011	Liquid Waste Fund	Office Supplies	Noack Awards Engraving & Promo	22.79
				Check Total:	25.32
9151	11/04/2011	Liquid Waste Fund	Sewer Maint-Material/Supplies	Orange County Hose Co.	70.12
				Check Total:	70.12
9152	11/04/2011	Liquid Waste Fund	Due to OCSD	Orange County Sanitation Distr	3,420.00
				Check Total:	3,420.00
9153	11/04/2011	Liquid Waste Fund	Sewer Maint-Staff Development	Orange County Water Associatio	25.00
				Check Total:	25.00
9154	11/04/2011	Solid Waste Fund	Office Supplies	Office Depot	1.75
9154	11/04/2011	Liquid Waste Fund	Office Supplies	Office Depot	15.80
9154	11/04/2011	Solid Waste Fund	Office Supplies	Office Depot	2.24
9154	11/04/2011	Liquid Waste Fund	Office Supplies	Office Depot	20.14
9154	11/04/2011	Solid Waste Fund	Office Supplies	Office Depot	3.79
9154	11/04/2011	Liquid Waste Fund	Office Supplies	Office Depot	34.07
				Check Total:	77.79
9155	11/04/2011	Liquid Waste Fund	Professional Services	Pacific Data Electric, Inc.	15,000.00
				Check Total:	15,000.00
9156	11/04/2011	Solid Waste Fund	Building Maintenance	Commercial Cleaning Systems	45.37
9156	11/04/2011	Liquid Waste Fund	Building Maintenance	Commercial Cleaning Systems	408.38
				Check Total:	453.75
9157	11/04/2011	Liquid Waste Fund	Sewer Maint-Annual Sewer Maint	RanchTec	19,765.62
				Check Total:	19,765.62
9158	11/04/2011	Liquid Waste Fund	Sewer Maint-Equipment Maint	Rincon	1,139.74
				Check Total:	1,139.74
9159	11/04/2011	Liquid Waste Fund	Grade 5 CCTV Improvements	Sancon Engineering, Inc.	121,416.65

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Amount
9159	11/04/2011	Liquid Waste Fund	Grade 5 CCTV Improvements	Sancon Engineering, Inc.	108,524.20
Check Total:					229,940.85
9160	11/04/2011	Liquid Waste Fund	Sewer Maint-Electric Pumps	Southern California Edison	359.80
9160	11/04/2011	Liquid Waste Fund	Sewer Maint-Electric Pumps	Southern California Edison	213.47
9160	11/04/2011	Liquid Waste Fund	Sewer Maint-Electric Pumps	Southern California Edison	294.67
9160	11/04/2011	Liquid Waste Fund	Sewer Maint-Electric Pumps	Southern California Edison	95.65
9160	11/04/2011	Liquid Waste Fund	Sewer Maint-Electric Pumps	Southern California Edison	45.35
9160	11/04/2011	Liquid Waste Fund	Sewer Maint-Electric Pumps	Southern California Edison	70.51
9160	11/04/2011	Liquid Waste Fund	Sewer Maint-Electric Pumps	Southern California Edison	445.93
9160	11/04/2011	Liquid Waste Fund	Sewer Maint-Electric Pumps	Southern California Edison	416.56
9160	11/04/2011	Liquid Waste Fund	Sewer Maint-Electric Pumps	Southern California Edison	681.60
9160	11/04/2011	Liquid Waste Fund	Sewer Maint-Electric Pumps	Southern California Edison	75.52
9160	11/04/2011	Liquid Waste Fund	Sewer Maint-Electric Pumps	Southern California Edison	83.74
9160	11/04/2011	Liquid Waste Fund	Sewer Maint-Electric Pumps	Southern California Edison	134.25
9160	11/04/2011	Liquid Waste Fund	Sewer Maint-Electric Pumps	Southern California Edison	53.67
9160	11/04/2011	Liquid Waste Fund	Sewer Maint-Electric Pumps	Southern California Edison	362.69
9160	11/04/2011	Liquid Waste Fund	Sewer Maint-Electric Pumps	Southern California Edison	335.75
9160	11/04/2011	Liquid Waste Fund	Sewer Maint-Electric Pumps	Southern California Edison	163.23
9160	11/04/2011	Liquid Waste Fund	Sewer Maint-Electric Pumps	Southern California Edison	1,082.74
9160	11/04/2011	Liquid Waste Fund	Sewer Maint-Electric Pumps	Southern California Edison	75.66
9160	11/04/2011	Solid Waste Fund	Electric - Building	Southern California Edison	66.02
9160	11/04/2011	Liquid Waste Fund	Electric - Building	Southern California Edison	594.19
Check Total:					5,651.00
9161	11/04/2011	Solid Waste Fund	Travel/Meals/Lodging	Michael Scheafer	30.82
9161	11/04/2011	Liquid Waste Fund	Travel/Meals/Lodging	Michael Scheafer	277.37
Check Total:					308.19
9162	11/04/2011	Liquid Waste Fund	Life/AD&D Insurance	Spec Dist Risk Mgt Authority	165.22
9162	11/04/2011	Liquid Waste Fund	Dental Insurance	Spec Dist Risk Mgt Authority	676.42
9162	11/04/2011	Liquid Waste Fund	Long-Term Disability	Spec Dist Risk Mgt Authority	324.50
9162	11/04/2011	Solid Waste Fund	Benefits Admin Costs	Spec Dist Risk Mgt Authority	3.28
9162	11/04/2011	Liquid Waste Fund	Benefits Admin Costs	Spec Dist Risk Mgt Authority	29.50
9162	11/04/2011	Liquid Waste Fund	Vision Insurance	Spec Dist Risk Mgt Authority	22.65
Check Total:					1,221.57
9163	11/04/2011	Liquid Waste Fund	Sewer Maint-Material/Supplies	So Cal Sanitation	350.00

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Amount
Check Total:					350.00
9164	11/04/2011	Solid Waste Fund	Building Maintenance	Trimco Landscape	11.60
9164	11/04/2011	Liquid Waste Fund	Building Maintenance	Trimco Landscape	104.40
Check Total:					116.00
9165	11/04/2011	Liquid Waste Fund	Deferred Compensation - 457	VantagePoint Transfer Agents	1,100.00
Check Total:					1,100.00
9166	11/04/2011	Liquid Waste Fund	Deferred Medical-RHS-Employee	VantagePoint Transfer Agents	635.00
Check Total:					635.00
9167	11/04/2011	Liquid Waste Fund	Sewer Maint-Annual Sewer Maint	Walters Wholesale Electric Co.	1,278.27
9167	11/04/2011	Liquid Waste Fund	Sewer Maint-Annual Sewer Maint	Walters Wholesale Electric Co.	387.90
Check Total:					1,666.17
9181	11/18/2011	Liquid Waste Fund	Medical/Employment Services	Alex Arreola	10.00
Check Total:					10.00
9182	11/18/2011	Solid Waste Fund	Telephone	AT&T	48.96
9182	11/18/2011	Liquid Waste Fund	Telephone	AT&T	440.67
Check Total:					489.63
9183	11/18/2011	Solid Waste Fund	Equipment Maintenance	CDW Government	33.83
9183	11/18/2011	Liquid Waste Fund	Equipment Maintenance	CDW Government	304.51
Check Total:					338.34
9184	11/18/2011	Liquid Waste Fund	Sewer Maint-Equipment Maint	City of Costa Mesa	329.40
Check Total:					329.40
9185	11/18/2011	Solid Waste Fund	Trash Hauler	Costa Mesa Disposal	197,152.38

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Amount
Check Total:					197,152.38
9186	11/18/2011	Liquid Waste Fund	Sewer Maint-Pump Stn Contract	C&R Drains Inc.	439.00
9186	11/18/2011	Liquid Waste Fund	Sewer Maint-Pump Stn Contract	C&R Drains Inc.	132.00
Check Total:					571.00
9187	11/18/2011	Solid Waste Fund	Recycling/Disposal	CR Transfer, Inc.	156,768.11
9187	11/18/2011	Solid Waste Fund	Recycling/Disposal	CR Transfer, Inc.	9,923.37
Check Total:					166,691.48
9188	11/18/2011	Solid Waste Fund	Prof Membership/Dues	California Special Dist Assoc	2,290.50
9188	11/18/2011	Liquid Waste Fund	Prof Membership/Dues	California Special Dist Assoc	2,290.50
Check Total:					4,581.00
9189	11/18/2011	Solid Waste Fund	Prof Membership/Dues	Cal Soc of Muni Finance Office	11.00
9189	11/18/2011	Liquid Waste Fund	Prof Membership/Dues	Cal Soc of Muni Finance Office	99.00
Check Total:					110.00
9190	11/18/2011	Solid Waste Fund	Pharmaceutical Program	WM Curbside, LLC	31.50
9190	11/18/2011	Solid Waste Fund	Pharmaceutical Program	WM Curbside, LLC	100.00
9190	11/18/2011	Solid Waste Fund	Pharmaceutical Program	WM Curbside, LLC	-25.00
9190	11/18/2011	Solid Waste Fund	Sharps Program	WM Curbside, LLC	95.00
9190	11/18/2011	Solid Waste Fund	Pharmaceutical Program	WM Curbside, LLC	157.50
9190	11/18/2011	Solid Waste Fund	Pharmaceutical Program	WM Curbside, LLC	75.00
9190	11/18/2011	Solid Waste Fund	Pharmaceutical Program	WM Curbside, LLC	-25.00
9190	11/18/2011	Solid Waste Fund	Sharps Program	WM Curbside, LLC	95.00
9190	11/18/2011	Solid Waste Fund	Household Hazardous Waste	WM Curbside, LLC	198.00
9190	11/18/2011	Solid Waste Fund	Pharmaceutical Program	WM Curbside, LLC	27.00
9190	11/18/2011	Solid Waste Fund	Sharps Program	WM Curbside, LLC	100.00
9190	11/18/2011	Solid Waste Fund	Pharmaceutical Program	WM Curbside, LLC	100.00
9190	11/18/2011	Solid Waste Fund	Pharmaceutical Program	WM Curbside, LLC	-25.00
9190	11/18/2011	Solid Waste Fund	Pharmaceutical Program	WM Curbside, LLC	45.00
9190	11/18/2011	Solid Waste Fund	Pharmaceutical Program	WM Curbside, LLC	75.00
9190	11/18/2011	Solid Waste Fund	Pharmaceutical Program	WM Curbside, LLC	-25.00
9190	11/18/2011	Solid Waste Fund	Sharps Program	WM Curbside, LLC	100.00
9190	11/18/2011	Solid Waste Fund	Sharps Program	WM Curbside, LLC	95.00
9190	11/18/2011	Solid Waste Fund	Pharmaceutical Program	WM Curbside, LLC	72.00
9190	11/18/2011	Solid Waste Fund	Pharmaceutical Program	WM Curbside, LLC	75.00
9190	11/18/2011	Solid Waste Fund	Pharmaceutical Program	WM Curbside, LLC	-25.00

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Amount
9190	11/18/2011	Solid Waste Fund	Sharps Program	WM Curbside, LLC	95.00
Check Total:					1,411.00
9191	11/18/2011	Solid Waste Fund	Staff Development	White Nelson Diehl Evans LLP	55.00
9191	11/18/2011	Liquid Waste Fund	Staff Development	White Nelson Diehl Evans LLP	495.00
Check Total:					550.00
9192	11/18/2011	Liquid Waste Fund	Sewer Maint-Swr Lateral Prog	Donald Duarte	719.00
Check Total:					719.00
9193	11/18/2011	Liquid Waste Fund	Sewer Maint-Swr Lateral Prog	Hans Enyedi	1,800.00
Check Total:					1,800.00
9194	11/18/2011	Solid Waste Fund	Building Maintenance	F.M. Thomas Air Conditioning,	46.14
9194	11/18/2011	Liquid Waste Fund	Building Maintenance	F.M. Thomas Air Conditioning,	415.22
Check Total:					461.36
9195	11/18/2011	Liquid Waste Fund	Sewer Maint-Annual Sewer Maint	Gierlich-Mitchell, Inc.	2,340.33
Check Total:					2,340.33
9196	11/18/2011	Solid Waste Fund	Professional Services	Gladwell Governmental Services	288.00
9196	11/18/2011	Liquid Waste Fund	Professional Services	Gladwell Governmental Services	2,592.00
Check Total:					2,880.00
9197	11/18/2011	Liquid Waste Fund	Sewer Maint-Equipment Maint	HUB Auto Supply	13.52
9197	11/18/2011	Liquid Waste Fund	Sewer Maint-Equipment Maint	HUB Auto Supply	295.40
9197	11/18/2011	Liquid Waste Fund	Sewer Maint-Equipment Maint	HUB Auto Supply	11.98
Check Total:					320.90
9198	11/18/2011	Liquid Waste Fund	Sewer Maint- Water Pumps	Irvine Ranch Water District	8.75
9198	11/18/2011	Liquid Waste Fund	Sewer Maint- Water Pumps	Irvine Ranch Water District	8.75
Check Total:					17.50
9199	11/18/2011	Liquid Waste Fund	Sewer Maint-Pump Stn Contract	Jimni Systems, Inc	1,521.61

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Amount
Check Total:					1,521.61
9200	11/18/2011	Liquid Waste Fund	Sewer Maint-Swr Lateral Prog	Joseph Jones	1,800.00
Check Total:					1,800.00
9201	11/18/2011	Solid Waste Fund	Equipment Maintenance	Konica Minolta	46.17
9201	11/18/2011	Liquid Waste Fund	Equipment Maintenance	Konica Minolta	415.49
Check Total:					461.66
9202	11/18/2011	Liquid Waste Fund	Sewer Maint-Swr Lateral Prog	John McLuckey	1,762.50
Check Total:					1,762.50
9203	11/18/2011	Liquid Waste Fund	Sewer Maint- Water Pumps	Mesa Consolidated Water Dist	18.00
9203	11/18/2011	Liquid Waste Fund	Sewer Maint- Water Pumps	Mesa Consolidated Water Dist	189.00
9203	11/18/2011	Liquid Waste Fund	Sewer Maint-Water Bldg	Mesa Consolidated Water Dist	51.00
9203	11/18/2011	Liquid Waste Fund	Sewer Maint-Water Bldg	Mesa Consolidated Water Dist	50.70
9203	11/18/2011	Liquid Waste Fund	Sewer Maint-Water Bldg	Mesa Consolidated Water Dist	62.10
Check Total:					370.80
9204	11/18/2011	Solid Waste Fund	Public Info/Ed/Community Promo	County of Orange Auditor-Cont	1.50
9204	11/18/2011	Liquid Waste Fund	Public Info/Ed/Community Promo	County of Orange Auditor-Cont	13.50
Check Total:					15.00
9205	11/18/2011	Solid Waste Fund	Office Supplies	Office Depot	4.09
9205	11/18/2011	Liquid Waste Fund	Office Supplies	Office Depot	36.83
9205	11/18/2011	Solid Waste Fund	Office Supplies	Office Depot	3.75
9205	11/18/2011	Liquid Waste Fund	Office Supplies	Office Depot	33.77
9205	11/18/2011	Solid Waste Fund	Office Supplies	Office Depot	5.83
9205	11/18/2011	Liquid Waste Fund	Office Supplies	Office Depot	52.44
9205	11/18/2011	Solid Waste Fund	Office Supplies	Office Depot	5.96
9205	11/18/2011	Liquid Waste Fund	Office Supplies	Office Depot	53.63
9205	11/18/2011	Solid Waste Fund	Office Supplies	Office Depot	1.92
9205	11/18/2011	Liquid Waste Fund	Office Supplies	Office Depot	17.24
9205	11/18/2011	Solid Waste Fund	Office Supplies	Office Depot	1.35
9205	11/18/2011	Liquid Waste Fund	Office Supplies	Office Depot	12.18

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Amount
Check Total:					228.99
9206	11/18/2011	Liquid Waste Fund	Sewer Maint-Swr Lateral Prog	Mary Parpal	1,800.00
Check Total:					1,800.00
9207	11/18/2011	Solid Waste Fund	Staff Development	CMUSD Petty Cash	2.30
9207	11/18/2011	Liquid Waste Fund	Staff Development	CMUSD Petty Cash	20.70
9207	11/18/2011	Liquid Waste Fund	Sewer Maint-Equipment Maint	CMUSD Petty Cash	76.00
9207	11/18/2011	Solid Waste Fund	Medical/Employment Services	CMUSD Petty Cash	1.00
9207	11/18/2011	Liquid Waste Fund	Medical/Employment Services	CMUSD Petty Cash	9.00
9207	11/18/2011	Solid Waste Fund	Staff Development	CMUSD Petty Cash	2.30
9207	11/18/2011	Liquid Waste Fund	Staff Development	CMUSD Petty Cash	20.70
9207	11/18/2011	Liquid Waste Fund	Staff Development	CMUSD Petty Cash	50.95
9207	11/18/2011	Solid Waste Fund	Staff Development	CMUSD Petty Cash	5.66
9207	11/18/2011	Solid Waste Fund	Building Maintenance	CMUSD Petty Cash	2.00
9207	11/18/2011	Liquid Waste Fund	Building Maintenance	CMUSD Petty Cash	18.00
9207	11/18/2011	Solid Waste Fund	Staff Development	CMUSD Petty Cash	2.59
9207	11/18/2011	Liquid Waste Fund	Staff Development	CMUSD Petty Cash	23.27
9207	11/18/2011	Liquid Waste Fund	Sewer Maint-Staff Development	CMUSD Petty Cash	22.00
9207	11/18/2011	Liquid Waste Fund	Staff Development	CMUSD Petty Cash	-3.00
Check Total:					253.47
9208	11/18/2011	Liquid Waste Fund	Sewer Maint-Swr Lateral Prog	Lody Reygers	49.25
Check Total:					49.25
9209	11/18/2011	Liquid Waste Fund	Sewer Maint-Staff Development	SARBS - CWEA	50.00
9209	11/18/2011	Liquid Waste Fund	Sewer Maint-Staff Development	SARBS - CWEA	60.00
Check Total:					110.00
9210	11/18/2011	Liquid Waste Fund	Sewer Maint-Electric Pumps	Southern California Edison	823.09
Check Total:					823.09
9211	11/18/2011	Solid Waste Fund	Recycling Grant AB 939	Sign Depot	225.20
Check Total:					225.20
9212	11/18/2011	Liquid Waste Fund	Prof Membership/Dues	SWRCB Fees	8,154.00

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Amount
Check Total:					8,154.00
9213	11/18/2011	Liquid Waste Fund	Rehab of (6)Swrs Transfrd #189	TTS Engineering, Inc.	345,245.56
9213	11/18/2011	Liquid Waste Fund	Rehab of (6)Swrs Transfrd #189	TTS Engineering, Inc.	48,780.12
Check Total:					394,025.68
9214	11/18/2011	Liquid Waste Fund	Contract Services	Underground Service Alert/SC	33.00
Check Total:					33.00
9215	11/18/2011	Liquid Waste Fund	Sewer Maint-Small Tools/Eq	USA Bluebook	1,566.69
Check Total:					1,566.69
9216	11/18/2011	Liquid Waste Fund	Deferred Compensation - 457	VantagePoint Transfer Agents	1,128.00
Check Total:					1,128.00
9217	11/18/2011	Liquid Waste Fund	Deferred Medical-RHS-Employee	VantagePoint Transfer Agents	671.06
Check Total:					671.06
9218	11/18/2011	Liquid Waste Fund	Capital Outlay	Vertex Business Interiors	1,156.16
9218	11/18/2011	Liquid Waste Fund	Capital Outlay	Vertex Business Interiors	199.34
Check Total:					1,355.50
9219	11/18/2011	Liquid Waste Fund	Sewer Maint-Telephone	Verizon Wireless	9.47
Check Total:					9.47
9220	11/18/2011	Liquid Waste Fund	Sewer Maint-Small Tools/Eq	Wells Supply co	640.03
9220	11/18/2011	Liquid Waste Fund	Sewer Maint-Small Tools/Eq	Wells Supply co	530.08
9220	11/18/2011	Liquid Waste Fund	Sewer Maint-Small Tools/Eq	Wells Supply co	285.54
Check Total:					1,455.65

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Amount
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Report Total:

1,250,266.62

I. **Attach all receipts.**

DATE OF EVENT	PURPOSE OR OCCASION	LOCATION	TRAVEL*	MEAL EXPENSE	OTHER
11/1/11	Indep. Spec. Dist of O.C	OCWD			
11/2/11	OCSD Oper. Cmte	OCSD			
11/4/11	WATER Adv. Cmte	OCWD			
11/7/11	CMSD Agenda for Bd. Meets	CMSD			
11/16/11	OCSD Bd. Meeting	OCSD			
11/21/11	Sewer Sys. Cmte	CMSD			
11/30/11	CMSD Bd Meeting	CMSD			

*Can be used for private auto as well as taxi, limo and air fare.

II. Calculation

1. _____ miles at 55.5 cents per mile
(Current Rate)
2. _____ Total meals
3. 6 days attendance at \$ 221.00 per day
(per Board policy)
4. Meeting _____
5. Other _____

= \$		
=		
=	1326 ⁰⁰	
=		
=		
=		

Total = \$ 1326⁰⁰

Significant points learned of benefit to the District and its ratepayers:

Conference/Event: _____

Location: _____

Per Ordinance No. 55, "Board members shall provide brief reports on meetings attended at public expense at the next regular Board meeting." (Operations Code, Section 3.01.035)

Director Signature: Rakhi Datta

Costa Mesa Sanitary District
Expense Reimbursement Form for Directors

TO: JOAN
949-650-2253

Name: SIM FERRYMAN

I. Attach all receipts.

DATE OF EVENT	PURPOSE OR OCCASION	LOCATION	TRAVEL*	MEAL EXPENSE	OTHER
11-2-11	ZERO WASTE	HDQTS			
11-8-11	SEWER	HDQTS			
11-14-11	RECYCLING	HDQTS			
11-17-11	OCBC AWARDS	MASTRODS	4		
11-29-11	EOC TRAINING	HDQTS			
11-30-11	REGULAR MEETING	HDQTS			

*Can be used for private auto as well as taxi, limo and air fare.

II. Calculation

- miles at 55.5 cents per mile
(Current Rate)
- Total meals
- 10 days attendance at \$ 221.00 per day
(per Board policy)
- Meeting
- Other

(rev. 1/1/11)

\$ 1326.00

Conference/Event:

Location: _____

Per Ordinance No. 55, "Board members shall provide brief reports on meetings attended at public expense at the next regular Board meeting." (Operations Code, Section 3.01.035)

\$ 1326.00

Significant points learned of benefit to the District and its ratepayers:

James M Ferryman

Costa Mesa Sanitary District
Expense Reimbursement Form for Directors

TO: JOAN
949-650-2253

Name: JIM FERRYMAN

I. Attach all receipts.

DATE OF EVENT	PURPOSE OR OCCASION	LOCATION	TRAVEL*	MEAL EXPENSE	OTHER
11-2-11	ZERO WASTE	HDQTS			
11-8-11	SEWER	HDQTS			
11-14-11	RECYCLING	HDQTS			
11-17-11	OCBC AWARDS	MASTRODS	4		
11-29-11	EOC TRAINING	HDQTS			
11-30-11	REGULAR MEETING	HDQTS			

*Can be used for private auto as well as taxi, limo and air fare.

II. Calculation

- 4 miles at 55.5 cents per mile
(Current Rate)
- Total meals
- days attendance at \$ 221.00 per day
(per Board policy)
- Meeting
- Other

2.22
(rev. 1/1/11)

Conference/Event:

Location: _____

Per Ordinance No. 55, "Board members shall provide brief reports on meetings attended at public expense at the next regular Board meeting." (Operations Code, Section 3.01.035)

\$ 2.22
Significant points learned of benefit to the District and its ratepayers:

James M Ferryman

**Costa Mesa Sanitary District
Expense Reimbursement Form for Directors**

Name: MIKE SCHEAFER

I. Attach all receipts.

DATE OF EVENT	PURPOSE OR OCCASION	LOCATION	TRAVEL*	MEAL EXPENSE	OTHER
11/2/11	ZERO WASTE WORKSHOP	CMSD			
11/4/11	WACO	MWDOC	9		
11/8/11	SEWER SYSTEM COMM.	CMSD			
11/9/11	BRANDING COMM.	CMSD			
11/17/11	OC BUSINESS COUNCIL	MASTRO'S CM	8		8.00
11/29/11	EOC TRAINING	CMSD			
11/30/11	BOARD MEETING	CMSD			

*Can be used for private auto as well as taxi, limo and air fare.

II. Calculation

1. 17 miles at 55.5 cents per mile
(Current Rate)

2. Total meals

3. days attendance at \$ 221.00 per day
(per Board policy)

4. Meeting 6

5. Other PARKING

(rev. 1/1/09)

= \$

= 1,326.00

=

= -

=

Conference/Event:

Location:

Total = \$ 1326.00

Per Ordinance No. 55, "Board members shall provide brief reports on meetings attended at public expense at the next regular Board meeting." (Operations Code, Section 3.01.035)

Significant points learned of benefit to the District and its ratepayers:

 Director

Name: MIKE SCHEAFER

DATE OF EVENT	PURPOSE OR OCCASION	LOCATION	TRAVEL*	MEAL EXPENSE	OTHER
11/4/11	WACO	MWDOC	9		
11/17/11	OC BUSINESS COUNCIL	MASTRO'S CM	8		8.00

II. Calculation

- (rev. 1/1/09)

$$= \$9.44$$

8.00

Location: _____

Total = \$ 17.00

Significant points learned of benefit to the District and its ratepayers:

[Signature] DIRECTOR

Costa Mesa Sanitary District Expense Reimbursement Form for Directors

Name: Jim Fitzpatrick November 2011

Approved By _____ Date _____

Approved By _____ Date _____

GL Acct _____

GL Acct _____

I. Attach all receipts.

DATE OF EVENT	PURPOSE OR OCCASION	LOCATION	TRAVEL*	MEAL EXPENSE	OTHER
11-4	WACO	OCWD			
11-14	Recycling Committee	CMSD			
	Sewer Committee	CMSD			
11-30	Costa Mesa Sanitary District Board Meeting	CMSD			
11-8	CRRA BIODEPLASTICS CONFERENCE	RANCHO SANTA MARGHERITA	49.50 miles		
11-9	BRANDING COMMITTEE	CMSD			

*Can be used for private auto as well as taxi, limo and air fare.

II. Calculation 49.50

1. 90 miles at 55.5 cents per mile
(Current Rate)

2. _____ Total meals

3. 5 days attendance at \$ 221.00 per day
(per Board policy)

4. Meeting _____

5. Other _____

= \$ _____

= _____

= \$1105

= _____

= _____

Total = \$ 1,105

Conference/Event: _____

Location: _____

Per Ordinance No. 55, "Board members shall provide brief reports on meetings attended at public expense at the next regular Board meeting." (Operations Code, Section 3.01.035)

Significant points learned of benefit to the District and its ratepayers:

Shared at Board Meeting

Director Signature: 

Costa Mesa Sanitary District Expense Reimbursement Form for Directors

Name: Jim Fitzpatrick November 2011

Approved By _____ Date _____
Approved By _____ Date _____
GL Acct _____
GL Acct _____

I. Attach all receipts.

DATE OF EVENT	PURPOSE OR OCCASION	LOCATION	TRAVEL*	MEAL EXPENSE	OTHER
11-4	WACO	OCWD			
11-14	Recycling Committee	CMSD			
	Sewer Committee	CMSD			
11-30	Costa Mesa Sanitary District Board Meeting	CMSD			
11-8	CRRA BIOPLASTICS CONFERENCE	RANCHO SANTA MARGUERITA	49.50 miles		
11-9	BRANDING COMMITTEE	CMSD			

*Can be used for private auto as well as taxi, limo and air fare.

II. Calculation 49.50

- 90 miles at 55.5 cents per mile
(Current Rate)
- Total meals _____
- days attendance at \$ 221.00 per day
(per Board policy)
- Meeting _____
- Other _____

= \$ 49.50 27.47
= _____
= _____
= _____
= _____
= _____

Total = \$ 27.47

Conference/Event: _____

Location: _____

Per Ordinance No. 55, "Board members shall provide brief reports on meetings attended at public expense at the next regular Board meeting." (Operations Code, Section 3.01.035)

Significant points learned of benefit to the District and its ratepayers:

Shared at Board Meeting

Director Signature: _____

**Costa Mesa Sanitary District
Expense Reimbursement Form for Directors**

Name: ART RAPP

I. Attach all receipts.

DATE OF EVENT	PURPOSE OR OCCASION	LOCATION	TRAVEL*	MEAL EXPENSE	OTHER
11/2	WORKSHOP - "O" WASTE	BOARD ROOM			
11/4	WACO	O.C. WATER DIST			
11/8	SEWER SYSTEM COMMITTEE	BOARD ROOM			
11/10	SANFA	O.C. WATER DIST			
11/21	F06 PRESENTATION	O.C.C.			
11/29	E0C TRAINING	BOARD ROOM			
11/30	BOARD MEETING	BOARD ROOM			

*Can be used for private auto as well as taxi, limo and air fare.

II. Calculation

1. _____ miles at 55.5 cents per mile
(Current Rate)

2. _____ Total meals

3. 10 days attendance at \$ 221.00 per day
(per Board policy)

4. Meeting _____

5. Other _____

= \$ _____

= _____

= _____

= \$ 1326.00

= _____

Total = \$ _____

Conference/Event: _____

Location: _____

Per Ordinance No. 55, "Board members shall provide brief reports on meetings attended at public expense at the next regular Board meeting." (Operations Code, Section 3.01.035)

Significant points learned of benefit to the District and its ratepayers:

Director Signature: ART RAPP



COSTA MESA SANITARY DISTRICT

...an Independent Special District

Memorandum

To: Board of Directors
Via: Scott Carroll, General Manager
From: Marc Davis, Treasurer
Date: December 15, 2011
Subject: Investment Report for the Month of November 2011

Summary

Attached is the Investment Report for the month of November 2011. As required by the District's Statement of Investment Policy, the Investment Report delineates all investment activity during the month.

Staff Recommendation

Approve the Investment Report for the month of November 2011.

Analysis

This report lists the types of securities held in the District's portfolio, the institutions from which the securities were purchased, maturity dates and interest rates as of November 30, 2011. The District's investments are in compliance with the Statement of Investment Policy adopted by the Board at the July 28, 2011 regular meeting, as well as the California Government Code. The market values in this report were provided by our third party custodian, Bank of New York, except for the Local Agency Investment Fund (LAIF). The market value of LAIF was provided by the State Treasurer's Office. It does not represent the value of the underlying securities within the pool, but rather the par or cost amount, which is the amount the District is entitled to withdraw. This reporting practice is consistent with industry standard practices for similar funds.

The weighted average stated rate of return (current yield) for the District's investment portfolio as of November 30, 2011, was 1.380%. The yield to maturity of the portfolio was 1.400%. The District's weighted average interest rate was 100 basis points (1.002%) above the daily effective yield of LAIF, which was 0.378% as of November 30, 2011. The weighted average number of days to maturity for the District's total portfolio was 1,264 days (3.46 years). The average duration of the underlying securities in LAIF as of November 30, 2011, which is the most current information available, was 232 days.

The District's investment portfolio is in compliance with its liquidity limitations, which requires that a minimum of 20.00% of the portfolio must mature within one year. The percentage of the portfolio maturing in less than one year as of November 30, 2011 was 22.09%.

As of November 30, 2011, the District has adequate operating reserves necessary to meet its obligations for the next six months.

Strategic Plan Element & Goal

This item supports achieving Strategic Element No. 7.0, *Finances*, by ensuring the short and long-term fiscal health of the District.

Legal Review

Legal review is not required.

Financial Review

The portfolio is budgeted to earn an average rate of 1.100% for the year ending June 30, 2012. Through November 30, 2011, the portfolio has earned a weighted average interest rate of 1.239%. Staff anticipates that the District will be on budget with its estimated investment earnings.

Committee Recommendation

Review by the Investment Oversight Committee is not required this month.

Public Notice Process

Copies of this report are on file and will be included with the entire agenda packet for the November 22, 2011 Board of Directors regular meeting at District Headquarters (628 W. 19th Street) and on the District's website at www.cmsdca.gov.

Alternative Actions

1. Refer the matter back to staff

Attachments

Treasurer's Report of Pooled Cash and Investments as of November 30, 2011

COSTA MESA SANITARY DISTRICT
Treasurer's Report of Pooled Cash and Investments
November 30, 2011

	<u>Bank Balance</u>	<u>Deposits In Transits</u>	<u>Outstanding Checks</u>	<u>Book Balance</u>
Active Accounts:				
Bank of America	\$ 22,431.55	-	216,805.21	\$ (194,373.66)
Total Active Accounts	22,431.55	-	216,805.21	(194,373.66)
	<u>Market Value</u>	<u>Market Adjustment Increase</u>	<u>Decrease</u>	<u>Cost</u>
Investments:				
Local Agency Investment Fund	\$ 3,085,857.84	-	-	\$ 3,085,857.84
Money Market/Sweep Account	34,569.84	-	-	34,569.84
Federal Agency Securities	11,015,350.00	-	15,150.00	11,000,200.00
Total Investments	14,135,777.68	-	15,150.00	14,120,627.68
Total Pooled Cash & Investments	\$ 14,158,209.23	\$ -	\$ 231,955.21	\$ 13,926,254.02

Costa Mesa Sanitary District
Pooled Cash and Investments by Fund
November 30, 2011

CMSD Solid Waste Activities	\$ 3,828,538.74
CMSD Liquid Waste Activities	4,905,364.63
Asset Replacement Fund	209,498.20
Asset Management Fund	4,982,852.45
Total Pooled Cash & Investments	\$ 13,926,254.02



Marcus D. Davis
Treasurer/Director of Finance

12/7/11
Date

COSTA MESA SANITARY DISTRICT
Investment Activity Summary
November 30, 2011

Total investments outstanding as of October 31, 2011	\$ 14,580,519.00
Additions:	
Gain on sale of investment	-
Investment purchases	2,000,000.00
Deductions:	
Investment maturity/sale proceeds	-
Loss on sale of investment	-
Investments called	(1,000,000.00)
Net increase (decrease) in Sweep Account	(989,891.32)
Net increase (decrease) in LAIF	<u>(470,000.00)</u>
Total investments outstanding as of November 30, 2011	<u>\$ 14,120,627.68</u>

COSTA MESA SANITARY DISTRICT
Investment and Investment Earnings
November 30, 2011

CUSIP Number	Investment	Purchase Date	Maturity Date	Coupon Rate	Investment Cost	Interest Earned at 11/30/11	Comments
n/a	Local Agency Investment Fund	n/a	n/a	0.378%	\$ 3,085,857.84	n/a	**
n/a	Bank of New York-Sweep Acct	n/a	n/a	0.010%	34,569.84	n/a	
31331J6X6	Federal Farm Credit Bank	01/05/11	01/05/15	2.100%	1,000,000.00	8,516.66	
313373MB5	Federal Home Loan Bank	05/11/11	08/11/15	2.000%	1,000,000.00	6,111.11	
3136FRTM5	Federal National Mortgage Assn	06/28/11	06/28/19	2.150%	1,000,500.00	9,137.50	
3133754E4	Federal Home Loan Bank	08/16/11	02/16/16	1.900%	1,000,000.00	5,541.66	
3134G2WS7	Federal Home Loan Mortgage	08/23/11	05/23/16	1.540%	999,700.00	342.22	
3136FR2J1	Federal National Mortgage Assn	09/20/11	09/20/16	1.625%	1,000,000.00	3,204.86	
3134G2H88	Federal Home Loan Mortgage	09/22/11	03/22/16	1.250%	1,000,000.00	2,395.83	
3136FR7L1	Federal National Mortgage Assn	09/28/11	09/28/16	1.000%	1,000,000.00	-	
3136FTEB1	Federal National Mortgage Assn	10/26/11	10/26/16	1.500%	1,000,000.00	1,458.33	
3134G22G6	Federal Home Loan Mortgage	11/09/11	11/09/16	1.750%	1,000,000.00	1,069.44	
31331KV56	Federal Farm Credit Bank	11/23/11	11/23/16	1.500%	1,000,000.00	333.33	
Totals					\$ 14,120,627.68	\$ 38,110.94	

**Represents the LAIF daily rate at 11/30/11

COSTA MESA SANITARY DISTRICT
Summary of Policy Limitations
November 30, 2011

<u>Description</u>	<u>Current % of Market Value 11/30/11</u>	<u>Maximum %</u>
U.S. Treasury Bills	0.00%	Unlimited
U.S. Treasury Notes	0.00%	Unlimited
Federal Agency Issues:		
FICB	0.00%	Unlimited
FLB	0.00%	Unlimited
FHLB	14.21%	Unlimited
FHLMC	21.26%	Unlimited
FNMA	28.31%	Unlimited
FFCB	14.14%	Unlimited
Other *	0.00%	Unlimited
Banker's Acceptances	0.00%	25% (1)
Certificates of Deposit	0.00%	25%
Negotiable Certificates of Deposits	0.00%	25% (1)
Commercial Paper	0.00%	25% (1)
Medium Term Corporate Notes	0.00%	20% (1)
LAIF (Local Agency Investment Fund)	21.83%	40,000,000
Shares of Beneficial Interest	0.00%	20%
Money Market/Mutual Funds (Sweep Acct)	0.24%	10% per fund (2)
Total	<u>100.00%</u>	
% of portfolio maturing under one year	22.09%	no less than 20%
% of portfolio maturing over one year	77.91%	
	<u>100.00%</u>	

(1) Further limited to 10% in any single issuer

(2) Also limited to 20% in total.

*These securities are not considered for purchases: SBA, GNMA, TVA and SALLIEMAE

COSTA MESA SANITARY DISTRICT
Schedule of Investments by Instrument Type
November 30, 2011

Description	Broker/Dealer	Purchase Date	Maturity Date	Coupon Rate		Investment Cost	% of Portfolio	Market Value	% of Portfolio	Comments
State Treasurer's Pool	LAIF	n/a	Continuous	0.378%	**	\$ 3,085,857.84		\$ 3,085,857.84		POOL
Total State Treasurer's Pool						3,085,857.84	21.85%	3,085,857.84	21.83%	
Money Market Mutual Fund	Bank of New York	n/a	Continuous	0.010%		34,569.84		34,569.84		SWEEP
Total Money Market Mutual Fund						34,569.84	0.24%	34,569.84	0.24%	
Federal Home Loan Bank	E.J. De La Rosa	12/09/10	06/09/14	1.375%		1,000,000.00		1,007,000.00		FHLB
Federal Home Loan Bank	E.J. De La Rosa	08/16/11	02/16/16	1.900%		1,000,000.00		1,002,060.00		FHLB
Total Federal Home Loan Bank						2,000,000.00	14.16%	2,009,060.00	14.21%	
Federal Home Loan Mortgage	Union Banc	08/23/11	05/23/16	1.540%		999,700.00		1,005,840.00		FHLMC
Federal Home Loan Mortgage	Union Banc	09/22/11	03/22/16	1.250%		1,000,000.00		995,270.00		FHLMC
Federal Home Loan Mortgage	E.J. De La Rosa	11/09/11	11/09/16	1.750%		1,000,000.00		1,004,120.00		FHLMC
Total Federal Home Loan Mortgage						2,999,700.00	21.24%	3,005,230.00	21.26%	
Federal National Mortgage Association	Union Banc	06/28/11	06/28/16	2.150%		1,000,500.00		1,001,380.00		FNMA
Federal National Mortgage Association	Union Banc	09/20/11	09/20/16	1.625%		1,000,000.00		998,990.00		FNMA
Federal National Mortgage Association	E.J. De La Rosa	09/28/11	09/28/16	1.000%		1,000,000.00		1,001,500.00		FNMA
Federal National Mortgage Association	E.J. De La Rosa	10/26/11	10/26/16	1.500%		1,000,000.00		1,000,000.00		FNMA
Total Federal National Mortgage Association						4,000,500.00	28.33%	4,001,870.00	28.31%	
Federal Farm Credit Bank	UnionBanc	01/05/11	01/05/15	2.100%		1,000,000.00		1,001,270.00		FFCB
Federal Farm Credit Bank	E.J. De La Rosa	11/23/11	11/23/16	1.500%		1,000,000.00		997,920.00		FFCB
Total Federal Farm Credit Bank						2,000,000.00	14.16%	1,999,190.00	14.14%	
Total Investments						\$ 14,120,627.68	100.00%	\$ 14,135,777.68	100.00%	

**Represents the LAIF daily rate at 11/30/11

COSTA MESA SANITARY DISTRICT
Investment Portfolio
November 30, 2011

Broker/Dealer	Investment Type	Purchase Date	Maturity Date	Days to Maturity	Coupon Rate	Yield to Maturity	Investment Cost
Local Agency Investment Fund	Pool			1	0.378% **	0.378%	\$ 3,085,857.84
Bank of New York	Sweep			1	0.010%	0.010%	34,569.84
UnionBanc	FFCB	01/05/11	01/05/15	1,132	2.100%	2.100%	1,000,000.00
E.J. De La Rosa	FHLB	05/11/11	08/11/15	1,350	2.000%	2.000%	1,000,000.00
UnionBanc	FNMA	06/28/11	06/28/16	1,672	2.150%	2.048%	1,000,500.00
E.J. De La Rosa	FHLB	08/16/11	02/16/16	1,539	1.900%	1.900%	1,000,000.00
UnionBanc	FHLM	08/23/11	05/23/16	1,636	1.540%	1.540%	999,700.00
UnionBanc	FNMA	09/20/11	09/20/16	1,756	1.625%	1.625%	1,000,000.00
UnionBanc	FHLM	09/22/11	03/22/16	1,574	1.250%	1.250%	1,000,000.00
E.J. De La Rosa	FNMA	09/28/11	09/28/16	1,764	1.000%	1.390%	1,000,000.00
E.J. De La Rosa	FNMA	10/26/11	10/26/16	1,792	1.500%	1.500%	1,000,000.00
E.J. De La Rosa	FHLM	11/09/11	11/09/16	1,806	1.750%	1.750%	1,000,000.00
E.J. De La Rosa	FFCB	11/23/11	11/23/16	1,820	1.500%	1.500%	1,000,000.00

Total Investment Portfolio

\$ 14,120,627.68

Total Portfolio

Weighted Avg Interest Rate	1.380 %	
Weighted Avg Yield to Maturity	1.400 %	
Weighted Avg Days to Maturity	1,264 Days	3.46 Years

**Represents the LAIF daily rate at 11/30/11

COSTA MESA SANITARY DISTRICT
For all Maturities with Market Values
November 30, 2011

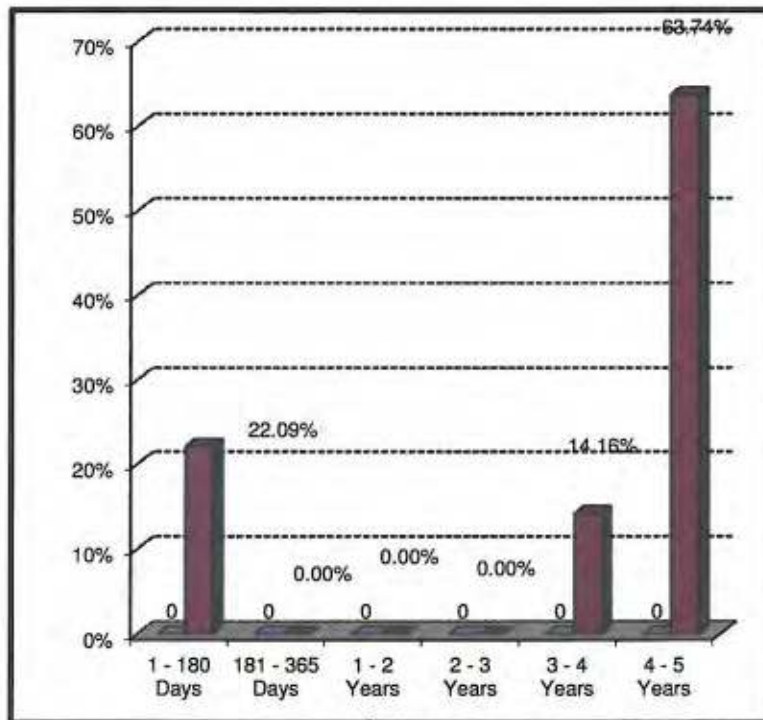
Purchase Date	Maturity Date	Intuition Broker/Dealer	Investment Type	Par	Coupon Rate	Investment Cost	Market Value	Accrued Interest	Net Gain/(Loss) If Sold
n/a	Continuous	LAIF	POOL	\$ 3,085,857.84	0.378% **	3,085,857.84	3,085,857.84	-	-
n/a	Continuous	Bank of New York	SWEEP	34,569.84	0.010%	34,569.84	34,569.84	-	-
01/05/11	01/05/15	UnionBanc	FFCB	1,000,000.00	2.100%	1,000,000.00	1,001,270.00	8,516.66	1,270.00
05/11/11	08/11/15	E.J. De La Rosa	FHLB	1,000,000.00	2.000%	1,000,000.00	1,007,000.00	6,111.11	7,000.00
06/28/11	06/28/16	UnionBanc	FNMA	1,000,500.00	2.150%	1,000,500.00	1,001,380.00	9,137.50	880.00
08/16/11	02/16/16	E.J. De La Rosa	FHLB	1,000,000.00	1.900%	1,000,000.00	1,002,060.00	5,541.66	2,060.00
08/23/11	05/23/11	UnionBanc	FHLM	1,000,000.00	2.000%	999,700.00	1,005,840.00	342.22	6,140.00
09/20/11	09/20/16	UnionBanc	FNMA	1,000,000.00	1.625%	1,000,000.00	998,990.00	3,204.86	(1,010.00)
09/22/11	03/22/16	UnionBanc	FHLM	1,000,000.00	1.250%	1,000,000.00	995,270.00	2,395.83	(4,730.00)
09/28/11	09/28/16	E.J. De La Rosa	FNMA	1,000,000.00	1.000%	1,000,000.00	1,001,500.00	-	1,500.00
10/26/11	10/26/16	E.J. De La Rosa	FNMA	1,000,000.00	1.500%	1,000,000.00	1,000,000.00	1,458.33	-
11/09/11	11/09/16	E.J. De La Rosa	FHLM	1,000,000.00	1.750%	1,000,000.00	1,004,120.00	1,069.44	4,120.00
11/23/11	11/23/16	E.J. De La Rosa	FFCB	1,000,000.00	1.500%	1,000,000.00	997,920.00	333.33	(2,080.00)
Total Investments				<u>\$ 14,120,927.68</u>		<u>14,120,627.68</u>	<u>14,135,777.68</u>	<u>38,110.94</u>	<u>15,150.00</u>

**Represents the LAIF daily rate at 11/30/11

COSTA MESA SANITARY DISTRICT
Call Schedule
November 30, 2011

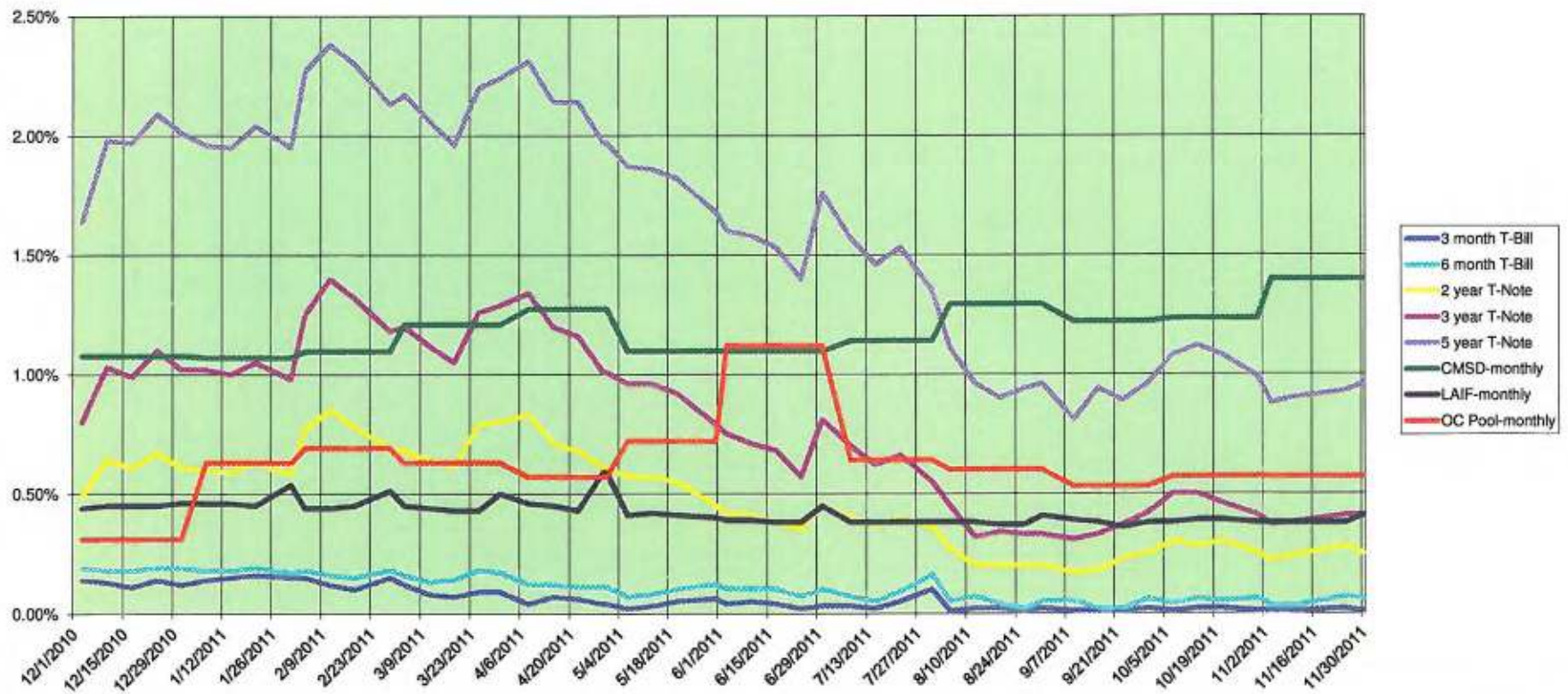
Type of Investment	Purchase Date	Maturity Date	Coupon Rate	Par Value	Investment Cost	Call Features
FFCB	01/05/11	01/05/15	2.100%	1,000,000.00	1,000,000.00	Callable 1/5/12 w/7 days notice and anytime after
FHLB	05/11/11	08/11/15	2.000%	1,000,000.00	1,000,000.00	Callable 5/11/12 w/5 days notice
FNMA	06/28/11	06/28/16	2.150%	1,000,500.00	1,000,500.00	Callable 12/28/11 w/10 days notice, thereafter 3,6,9,12
FHLB	08/16/11	02/16/11	1.900%	1,000,000.00	1,000,000.00	Callable 2/16/12 w/5 days notice and anytime after
FHLMC	08/23/11	05/23/11	1.540%	1,000,000.00	999,700.00	Callable 11/23/12 w/5 days notice
FNMA	09/20/11	09/20/16	1.625%	1,000,000.00	1,000,000.00	Callable 3/20/12 w/10 days notice, thereafter 6,9,12,3
FHLMC	09/22/11	03/22/16	1.250%	1,000,000.00	1,000,000.00	Callable 3/22/12 w/5 days notice, thereafter 6,9,12,3
FNMA	09/28/11	09/28/16	1.000%	1,000,000.00	1,000,000.00	Callable 9/28/12 w/10 days notice, thereafter 9,12,3,6
FNMA	10/26/11	10/26/16	1.500%	1,000,000.00	1,000,000.00	Callable 10/26/12 w/10 days notice.
FHLMC	11/09/11	11/09/16	1.750%	1,000,000.00	1,000,000.00	Callable 5/9/12 w/5 days notice, thereafter 8,11,2,5
FFCB	11/23/11	11/23/11	1.500%	1,000,000.00	1,000,000.00	Callable 11/23/12 w/5 days notice and anytime after
Totals				<u>\$ 11,000,500.00</u>	<u>\$ 11,000,200.00</u>	

**COSTA MESA SANITARY DISTRICT
MATURITIES DISTRIBUTION
November 30, 2011**



	Cost In Thousands
1 - 180 Days	\$ 3,120
181 - 365 Days	-
1 - 2 Years	-
2 - 3 Years	-
3 - 4 Years	2,000
4 - 5 Years	<u>9,001</u>
TOTAL	<u>\$ 14,121</u>

Costa Mesa Sanitary District
Portfolio Interest Rate Information
as of November 30, 2011





COSTA MESA SANITARY DISTRICT

... an Independent Special District

Memorandum

To: Board of Directors

Via: Scott Carroll, General Manager *[Signature]*

From: Teresa Gonzalez, Accounting Manager *[Signature]*

Date: December 15, 2011

Subject: Financial Statements for Fiscal Year Ended June 30, 2011

Summary

Enclosed is the Comprehensive Annual Financial Report for the District for the year ended June 30, 2011, audited by White Nelson Diehl Evans LLP, along with the auditor communications as required by Statement on Auditing Standards (SAS) Number 114.

Nitin Patel, the engagement partner with White Nelson Diehl Evans LLP on the District's audit, will be present at the Board meeting of December 15, 2011 to present the financial statements to the Board.

Staff Recommendation

Staff recommends the Board receive and file the Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2011.

Analysis

District assets exceeded liabilities by \$55,976,433 as of June 30, 2011. Of this amount \$39,122,787 is investment in capital assets. The District uses the capital assets to provide services to customers within the District's area; consequently these assets are not available for future spending. In fiscal year 2011 the District performed a comprehensive capital asset analysis resulting in the restatement of the capital assets balance in an amount of \$16,808,844 (net of accumulated depreciation). The Solid Waste fund assets increased by \$457,195 during the fiscal year, primarily due to receipt of general property tax revenue in the amount of \$212,004 and savings in salaries and benefits. The Liquid Waste fund assets increased by \$843,297 during the fiscal year, primarily due to delays in sewer operations and capital improvement

project spending, as well as, savings in salaries and benefits due to retirements and changes in staffing levels.

Strategic Element & Goal

This item supports achieving Strategic Element No. 7.0, *Finance*, and Strategic Goal No. 7.4, *Develop a Comprehensive Annual Finance Report (CAFR)*.

Legal Review

Not applicable.

Financial Review

The audit cost will not exceed the Diehl, Evans & Company, LLP proposal of \$8,975 for the fiscal year ending June 30, 2011.

Committee Recommendation

Not applicable

Public Notice Process

Copies of this report are on file and will be included with the entire agenda packet for the December 15, 2011 Board of Directors regular meeting at District Headquarters and on the District's website.

Alternative Actions

1. Refer the matter back to staff.

Attachments:

1. Financial Statements for Fiscal Year Ended June 30, 2011
2. SAS 114 Letter

Board of Directors
Costa Mesa Sanitary District
Costa Mesa, California

We have audited the financial statements of the Costa Mesa Sanitary District for the year ended June 30, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement contract dated July 30, 2010 and in our letter on planning matters dated July 27, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings:

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Costa Mesa Sanitary District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2011. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Significant Audit Findings:

Qualitative Aspects of Accounting Practices (Continued)

The most sensitive estimates affecting the financial statements are as follows:

- a. Management's estimate of the fair market value of investments is based on market values provided by outside sources.
- b. The estimated useful lives of capital assets for depreciation purposes are based on industry standards.
- c. Management's estimate of the cost of infrastructure assets were based on a study by an outside consulting firm and the District's engineering staff. The amount reported was based on an estimate of current replacement cost adjusted by an engineering cost index for date placed in service and adjusted accumulated depreciation from date placed in service to July 1, 2010.
- d. The annual required contribution for the defined benefit pension plan of the District is based on certain actuarial assumptions and methods.

We evaluated the key factors and assumptions used to develop these estimates in determining that they were reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statement was reported in Note 4 to the financial statements regarding the annual required contribution for the defined benefit pension plan and in Note 6 regarding the restatement of capital assets.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. As a result of our audit related testwork, we proposed no corrections of the financial statements that, in our judgment, had a significant effect on the District's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 15, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of management, the Board of Directors, and others within the District and is not intended to be and should not be used by anyone other than these specified parties.

White Nelson Duhl Evans LLP

November 15, 2011
Irvine, California



Costa Mesa Sanitary District
Costa Mesa, California
Comprehensive Annual Financial Report
For Fiscal Year Ended June 30, 2011



Vector Truck



Trash Hauler

*Protecting our community's health and the environment by providing solid waste
and sewer collection services*



Costa Mesa Sanitary District
Comprehensive Annual Financial Report
For the Year Ended June 30, 2011

**Costa Mesa Sanitary District
628 W. 19th Street
Costa Mesa, California 92627**

**Prepared by:
Scott Carroll, General Manager
Teresa Gonzalez, Accounting Manager**

**Costa Mesa Sanitary District
Annual Financial Report
For the Year Ended June 30, 2011**

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INTRODUCTORY SECTION



Costa Mesa Sanitary District

... an Independent Special District

November 1, 2011

To the Honorable President and Members of the Board of Directors and Customers of the Costa Mesa Sanitary District:

It is a pleasure to submit for your information the Comprehensive Annual Financial Report (CAFR) of the Costa Mesa Sanitary District (CMSD) for the year ended June 30, 2011.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The accounting firm of White Nelson Diehl Evans LLP conducted the independent audit for this fiscal year. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Costa Mesa Sanitary District for the fiscal year ended June 30, 2011 are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Costa Mesa Sanitary District's financial statements for the fiscal year ended June 30, 2011 are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

PROFILE OF THE DISTRICT

The Costa Mesa Sanitary District was formed in 1944 pursuant to the Sanitary Act of 1923. Established as an Independent Enterprise Special District, the District is authorized to provide refuse and wastewater collection and to levy rates and fees to support those services.

Protecting our community's health and the environment by providing solid waste and sewer collection services.
www.cmsdca.gov

PROFILE OF THE DISTRICT (CONTINUED)

The District is located in the City of Costa Mesa, in the County of Orange. The District provides trash and sewer services to the City of Costa Mesa, sections of Newport Beach and some unincorporated Orange County areas. The District serves approximately 110,000 residents. Sewage from the District's service area is transported to the Orange County Sanitation District's facilities where it is treated to federally mandated standards to protect the public health. The District has an agreement with CR&R for collection of all solid waste from single family dwellings and small multi-family residents utilizing curb side collection. CR&R transports all of the solid waste to its subsidiary owned recycling and transfer station located in Stanton, California.

Governance. The affairs of the District are directed by a five member Board of Directors elected at large by the registered voters residing in the District. The Directors, who are elected, are residents and have the same concerns as their constituents. The Board members, who serve four-year staggered terms, are responsible for establishing policy and ordinances, adopting the annual budget, and hiring the District's General Manager. The General Manager is responsible for carrying out the policies and ordinances of the District Board and for overseeing the day-to-day operations of the District.

The Board has established three standing committees that assist with policy-making decisions. These committees consist of Board members and appropriate management staff. The committees report to the full Board of Directors on their committee efforts and make recommendations of Board action as appropriate.

Sewer System Committee monitors and reviews sewer collection, demand-side management, construction and system projects and related activities.

Recycling Committee reviews and promotes source reduction, community outreach efforts for recycling programs and tours and provides direction to staff to monitor advancements and technology in the solid waste industry.

Investment Oversight Committee reviews the District's investments, financial performance and other financial policy issues.

FACTORS AFFECTING ECONOMIC CONDITION

Local Economy. The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Costa Mesa Sanitary District operates.

The Costa Mesa Sanitary District continues to benefit from its unique geographical location. The local economy is primarily based on retail commercial business and light manufacturing of electronics, pharmaceuticals, and plastics. CMSD's service area includes several major regional facilities: John Wayne Airport, Orange Coast College, Whittier Law School, Vanguard University, State of California Fairview Development Center, Orange County Fairgrounds, Sergerstrom Performing Arts Center, South Coast Repertory Theater, and South Coast Plaza shopping complex. The volume of sales generated by South Coast Plaza, on the strength of over 300 stores, secures its place as the highest volume regional shopping center in the nation.

Protecting our community's health and the environment by providing solid waste and sewer collection services.

www.cmsdca.gov

FACTORS AFFECTING ECONOMIC CONDITION (CONTINUED)

Local Economy (Continued). The economic condition of the City of Costa Mesa appears to be in a negative trend at this time due to turmoil in the real estate and financial markets. As an independent enterprise special district having the ability to adjust service rates as required, the District's operating revenues are somewhat insulated from the local economy. The current economy has not had a negative impact on our revenues as it has had on other government agencies whose major source of revenues are from sales, property and other taxes. The District has a secure revenue stream collected from user fees by the County of Orange through the property tax bills.

Long-term Financial Planning. The District's Board of Directors is aware of the need to ensure the District's financial stability. Through a coordinated strategic process, the Board has established a series of policies and plans to effectively meet the District's anticipated future needs. The cornerstone of these policies is the District's Strategic Plan for Fiscal Years 2010-15 that serves as a framework for planning and decision making over the next five years. The District utilizes this information to anticipate future expense obligations and to develop and estimate service rates to ensure these expense obligations are fully funded.

MAJOR INITIATIVES

The District maintains a Sewer Lateral Program to repair or replace damaged private laterals. The program reimburses ratepayers, on a 50/50 basis, up to \$1,800 for lateral repairs and replacement. The goal of this program is to provide an incentive to District customers to maintain their private laterals. During the fiscal year 2011 the District contributed \$195,840 for the replacement and repair of 146 damaged private laterals.

The District completed its Asset Management Study and Model in May 2011. The Asset Management Model will be used to project the District's future capital improvement needs and to calculate the annual reserve contribution or transfer to the new Asset Management Fund. The purpose of the new Asset Management Fund is to accumulate reserves for capital improvements. The plan was started in fiscal year 2012 with a \$5,575,000 transfer from the Liquid Waste Fund. Transfers back to the Liquid Waste Fund will be in accordance with the capital budget plan and provide funding for capital improvement projects.

In August 2011 the Board of Directors approved a two-tier pension system program for newly hired employees. New employees will pay their share of pension costs and participate in the 2% at 60 defined benefit pension plan.

FINANCIAL POLICIES AND PROCEDURES

Internal Control Structure. Management of the District is responsible for establishing and maintaining an adequate internal control structure. Internal accounting controls are designed to ensure that the assets of the District are protected from loss, theft or misuse, and that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgment by management.

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www.cmsdca.gov

FINANCIAL POLICIES AND PROCEDURES (CONTINUED)

Cash Management. The Treasurer invests funds in accordance with the California Government Code and an investment policy adopted by the Board of Directors. During the fiscal year, funds were invested in U.S. Treasuries, U.S. Government Agency Securities and the State of California Local Agency Investment Fund. Monthly reports are submitted by the Treasurer to the Board of Directors.

Investment interest totaled \$154,279 for fiscal year ended June 30, 2011, or almost 1.4 percent of total District revenues.

AWARDS

In January 2011 the District was the recipient of the California Society of Municipal Finance Officers award for Outstanding Financial Reporting for the Fiscal Year ending June 30, 2010. This award was issued in recognition of meeting professional standards and criteria in reporting which reflect a high level of quality in the annual financial statements and in the underlying accounting systems from which reports were prepared.

In 2011 the District received the Leadership in Energy and Environmental Design (LEED) Platinum Award from the United States Green Building Council for the construction of the District Yard from the highest level of sustainable local resources.

In 2011 the District received the Perfect Record Award from the National Safety Council for operating 22,179 employee hours without occupational injury or illness involving days away from work from January 1, 2010 to December 31, 2010.

ACNOWLEDGMENTS

The preparation and development of this report could not have been accomplished without the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that our staff members bring to the District. Appreciation is also expressed to the Board of Directors for their continued support in the planning and implementation of the Costa Mesa Sanitary District's fiscal policies; and finally to the District's auditing firm of White Nelson Diehl Evans LLP for their professional assistance.

Respectfully submitted,



Scott Carroll
General Manager



Teresa Gonzalez
Accounting Manager

Our Mission Statement

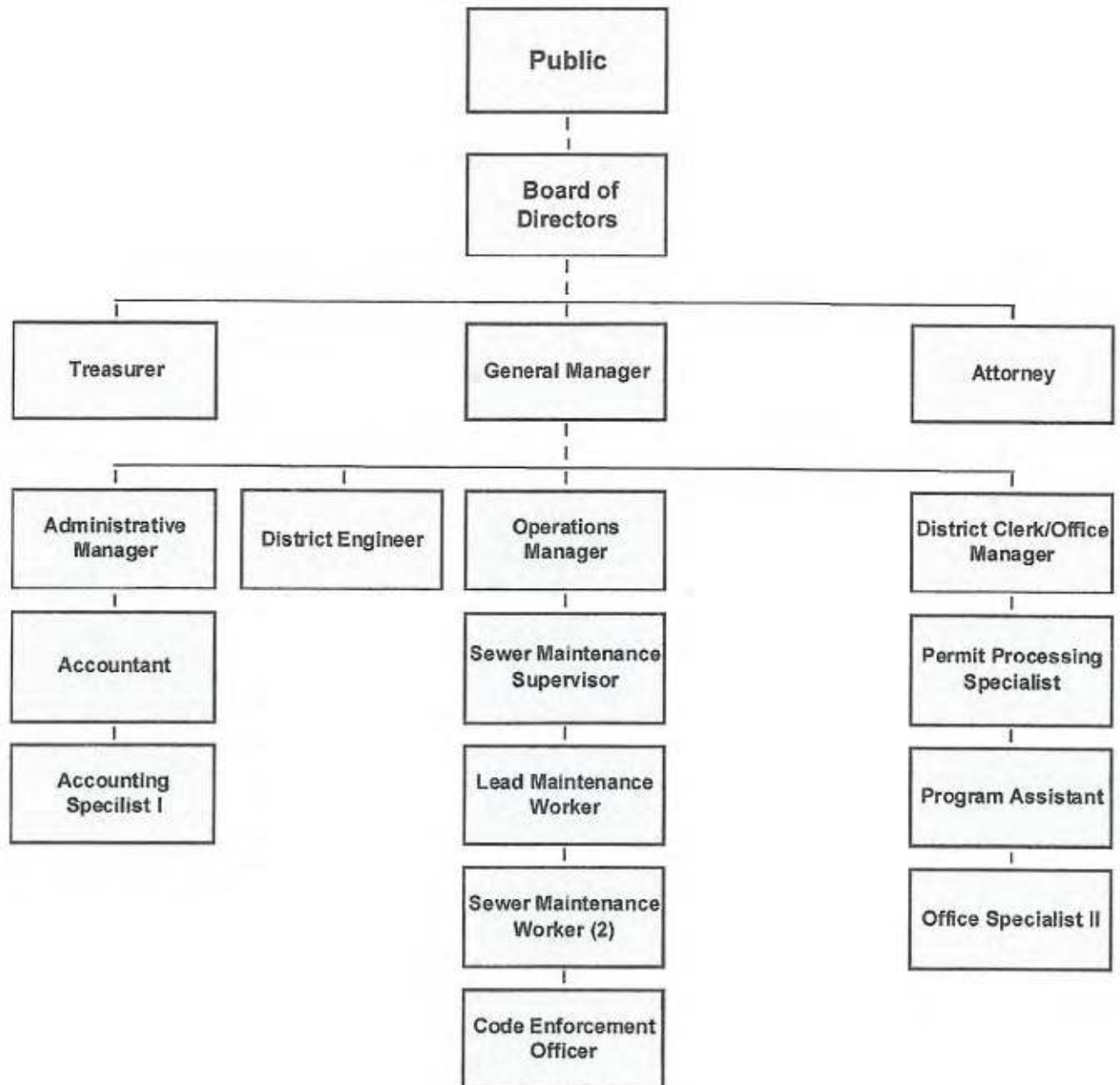
"Protecting our community's health and the environment by providing solid waste and sewer collection services."

Costa Mesa Sanitary District Board of Directors as of June 30, 2011

<u>Name</u>	<u>Title</u>	<u>Elected/ Appointed</u>	<u>Current Term</u>
Robert Ooten	President	Elected	12/10 – 12/14
James Ferryman	Vice President	Elected	12/08 – 12/12
Michael Sheafer	Secretary	Elected	12/10 – 12/14
James Fitzpatrick	Director	Elected	12/10 – 12/14
Arthur Perry	Director	Elected	12/08 – 12/12

**Costa Mesa Sanitary District
Scott Carroll, General Manager
628 W. 19th Street
Costa Mesa, California 92627
(949) 645-8400 www.cmsdca.gov**

Costa Mesa Sanitary District
Organizational Chart
As of June 30, 2011



California Society of Municipal Finance Officers

Certificate of Award

*Outstanding Financial Reporting
for the Fiscal Year Ending June 30, 2010*

Presented to the

Costa Mesa Sanitary District

This certificate is issued in recognition of meeting professional standards and criteria in reporting which reflect a high level of quality in the annual financial statements and in the underlying accounting systems from which reports were prepared.

February 24, 2011



Ronnie Campbell

Ronnie Campbell
CSMFO President

Chu Thai

Chu Thai, Chair
Professional Standards and
Recognition Committee

Dedicated Excellence in Municipal Financial Reporting

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Board of Directors
Costa Mesa Sanitary District
Costa Mesa, California

We have audited the basic financial statements of the Costa Mesa Sanitary District (the District) as of and for the year ended June 30, 2011 as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. The prior year partial comparative information has been derived from the financial statements of the District for the year ended June 30, 2010 and in our report dated November 1, 2010, we expressed an unqualified opinion on these financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Costa Mesa Sanitary District as of June 30, 2011 and the results of its changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 15, 2011 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, identified as required supplementary information in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the District's basic financial statements as a whole. The Introductory Section and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

White Nelson Duhl Evans LLP

November 15, 2011
Irvine, California

COSTA MESA SANITARY DISTRICT

Management's Discussion and Analysis

June 30, 2011

The following discussion and analysis of the financial performance of the Costa Mesa Sanitary District (the District) provides an overview of the District's financial activities for the fiscal year ended June 30, 2011. It should be read in conjunction with the financial statements identified in the accompanying table of contents.

Financial Highlights

Financial highlights during the fiscal year ended June 30, 2011 included:

- Total assets of the District exceeded its liabilities as of June 30, 2011 by \$55,976,433. Of this amount, \$16,472,278 is unrestricted and available to meet the District's ongoing obligations to its customers and creditors.
- Net assets of the Solid Waste Fund increased \$457,195 during the year ended June 30, 2011, which was primarily attributable to the receipt of non-budgeted (due to uncertainty) general property tax revenue in the amount of \$212,004 and savings in salaries and benefits due to retirements and changes in staffing levels.
- Net assets of the Liquid Waste fund increased \$843,297 during the year ended June 30, 2011, which was primarily attributable savings in salaries and benefits due to retirements and changes in staffing levels and delays in the sewer operations and capital improvement projects spending.

Overview of the Financial Statements

This Management's Discussion and Analysis (MD&A) serves as an introduction to the District's financial statements. The District's basic financial statements are comprised of three components: 1) Statement of Net Assets; 2) Statement of Revenues, Expenses, and Changes in Net Assets; 3) Statement of Cash Flows; and 4) Notes to the Financial Statements.

The financial statements accompanying this MD&A present the financial position, results of operations, and changes in cash flow during the fiscal year ended June 30, 2011. These financial statements have been prepared using accounting methods similar to those used by private sector companies.

Statement of Net Assets - The Statement of Net Assets present information on the District's assets (investment in resources) and liabilities (obligations to creditors), with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, other factors such as changes in economic conditions, population growth, zoning and new changed legislation or regulations also need to be considered when establishing financial position.

Statement of Revenues, Expenses, and Changes in Net Assets - The Statement of Revenues, Expenses and Changes in Net Assets present information showing how the District's net assets changed during the fiscal year. All of the year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Assets. This statement measures the results of the District's operations for the year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges.

See independent auditors' report.

COSTA MESA SANITARY DISTRICT

Management's Discussion and Analysis (Continued)

June 30, 2011

Overview of the Financial Statements (Continued)

Statement of Cash Flows - The Statement of Cash Flows present information regarding the District's use of cash during the year. It reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities. The Statement of Cash flows provides answers to such questions as; where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Notes to the Financial Statements - The financial statements also include Notes to the Financial Statements that provide important narrative details about the information contained in the financial statements. Information contained in the Notes to the Financial Statements is essential to a reader's full understanding of the data provided in the financial statements.

Financial Analysis of the District

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the District in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Statement of Net Assets

Condensed Statement of Net Assets

	2011	2010 (As Restated)	Change
Assets:			
Current assets	\$ 17,930,196	\$ 15,996,131	\$ 1,934,065
Capital assets, net	39,122,787	40,022,038	(899,251)
Total assets	57,052,983	56,018,169	1,034,814
Liabilities:			
Current liabilities	1,036,500	1,477,779	(441,279)
Non-current liabilities	40,050	29,586	10,464
Total liabilities	1,076,550	1,507,365	(430,815)
Net assets:			
Net investment in capital assets	39,122,787	40,022,038	(899,251)
Restricted for capital outlay	381,368	7,719,551	(7,338,183)
Unrestricted	16,472,278	6,769,215	9,703,063
Total net assets	\$ 55,976,433	\$ 54,510,804	\$ 1,465,629

See independent auditors' report.

COSTA MESA SANITARY DISTRICT

Management's Discussion and Analysis (Continued)

June 30, 2011

Financial Analysis of the District (Continued)

Statement of Net Assets (Continued)

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Net assets of the District were \$55,976,433 and \$54,510,804 for the years ended June 30, 2011 and June 30, 2010, respectively.

One of the largest portions of the District's net assets reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. Investments in capital assets represent \$39,122,787, or 70%, of the total \$55,976,433 net assets – a decrease of 2% from prior fiscal year. The decrease was primarily due to the depreciation expense in the amount of \$1,540,281 being higher than the total of new capital asset additions due to delays in the sewer capital improvement projects spending. In fiscal year 2011 the District performed a comprehensive capital asset analysis resulting in the restatement of the capital assets balance (net of accumulated depreciation) and the restatement of net assets. Additional information on the restatement of net assets can be found in Note 6 of the Notes to the Financial Statements. The District uses the capital assets to provide services to customers within the District's area; consequently, these assets are not available for future spending.

Unrestricted assets represent 29% of the District's net assets comprising assets that may be used to meet the District's on going obligations to citizens and creditors in accordance with the District's fiscal policies. As of June 30, 2011, unrestricted assets increased to \$16,472,278 from \$6,769,215 in the prior fiscal year due to category reclassification of certain net assets, from the restricted for capital outlay category to the unrestricted category. Upon review of the net assets it was determined that internally imposed reserves do not meet the definition for classifying net assets as restricted, therefore only externally restricted net assets qualified to be categorized as restricted.

As of June 30, 2011, the District reported positive balances in all three categories of net assets.

Statement of Revenues, Expenses and Changes in Net Assets

Condensed Statement of Revenues, Expenses and Changes in Net Assets

	2011	2010	Change
Revenues:			
Operating revenues	\$ 10,731,490	\$ 10,460,180	\$ 271,310
Non-operating revenues	436,139	1,247,002	(810,863)
Total revenues	11,167,629	11,707,182	(539,553)
Expenses:			
Operating expenses	8,160,177	7,487,385	672,792
Depreciation	1,540,281	622,319	917,962
Non-operating expenses	1,542	1,235	307
Total expenses	9,702,000	8,110,939	1,591,061
Net Income before capital contributions	1,465,629	3,596,243	(2,130,614)
Capital Contributions	-	4,243,681	(4,243,681)
Change in net assets	1,465,629	7,839,924	(6,374,295)
Net assets, beginning of year, as restated	54,510,804	46,670,880	7,839,924
Net assets, end of year, as restated	\$ 55,976,433	\$ 54,510,804	\$ 1,465,629

See independent auditors' report.

COSTA MESA SANITARY DISTRICT

Management's Discussion and Analysis (Continued)

June 30, 2011

Financial Analysis of the District (Continued)

Statement of Revenues, Expenses and Changes in Net Assets (Continued)

The statement of revenues, expenses and changes in net assets shows how the District's net assets changed during the fiscal years. In the case of the District, net assets increased by \$1,465,629 and \$7,839,924 for the fiscal years ended June 30, 2011 and 2010, respectively.

A closer examination of the sources of changes in net assets reveals that:

During the year ended June 30, 2011, the District benefited from an unanticipated savings in the amount of \$314,872 in salaries in benefits due to early retirements and changes in staffing levels. In addition, the District's had savings in the sewer operations expense accounts in the amount of \$277,079 due to delay of the completion of the District Yard construction and hiring of sewer operations personnel.

Total District Revenues

	2011	2010	Change
Operating revenues:			
Trash assessments	\$ 5,185,184	\$ 5,176,122	\$ 9,062
Sewer assessments	5,116,190	5,124,283	(8,093)
Permits and inspection fees	46,222	22,870	23,352
Connection fees	28,865	11,468	17,397
Other services and charges	355,029	125,437	229,592
Total operating revenues	10,731,490	10,460,180	271,310
Non-operating revenues:			
Investment income	154,279	188,045	(33,766)
Taxes	212,004	220,329	(8,325)
Other revenues	69,856	838,628	(768,772)
Total non-operating revenues	436,139	1,247,002	(810,863)
Total revenues	\$ 11,167,629	\$ 11,707,182	\$ (539,553)

In 2011, other revenues decreased due to a one-time reimbursement received in fiscal year 2009-2010 from other public agencies for the sharing of capital project costs.

See independent auditors' report.

COSTA MESA SANITARY DISTRICT

Management's Discussion and Analysis (Continued)

June 30, 2011

Financial Analysis of the District (Continued)

Total District Expenses

	Total District Expenses		
	2011	2010	Change
Operating expenses:			
Solid waste and recycling disposal charges	\$ 4,510,918	\$ 4,469,887	\$ 41,031
Liquid waste disposal and capital improvement charges	1,619,781	1,047,977	571,804
Administrative and other	2,029,478	1,969,521	59,957
Depreciation and amortization	1,540,281	622,319	917,962
Total operating expenses	9,700,458	8,109,704	1,590,754
Non-operating expenses:			
Loss on disposal of assets and other expenses	1,542	1,235	307
Total non-operating expenses	1,542	1,235	307
Total expenses	\$ 9,702,000	\$ 8,110,939	\$ 1,591,061

In 2011, liquid waste disposal and capital improvement charges expenses increased by \$571,804 due to costs incurred for the continuation of the sewer line cleaning maintenance program, which had been delayed in 2010, and increases in maintenance and operations costs associated with the operations of the District Yard. In addition depreciation and amortization costs increased due to restatement of capital assets.

Capital Asset Administration

Changes in capital asset amounts for 2011 were as follows:

	Balance 2010 (As Restated)	Additions	Transfers/ Deletions	Balance 2011
Capital assets:				
Non-depreciable assets	\$ 3,807,784	\$ 219,849	\$ (2,662,335)	\$ 1,365,298
Depreciable assets	83,849,202	3,085,057	(44,022)	86,890,237
Accumulated depreciation and amortization	(47,634,948)	(1,540,281)	42,481	(49,132,748)
Total capital assets, net	\$ 40,022,038	\$ 1,764,625	\$ (2,663,876)	\$ 39,122,787

Changes in capital asset amounts for 2010 were as follows:

	Balance 2009 (As Restated)	Additions	Transfers/ Deletions	Balance 2010 (As Restated)
Capital assets:				
Non-depreciable assets	\$ 5,703,290	\$ 846,547	\$ (2,742,053)	\$ 3,807,784
Depreciable assets	81,208,791	2,790,091	(149,680)	83,849,202
Accumulated depreciation and amortization	(47,199,145)	(573,004)	137,201	(47,634,948)
Total capital assets, net	\$ 39,712,936	\$ 3,063,634	\$ (2,754,532)	\$ 40,022,038

At the end of fiscal year 2011 and 2010, the District's investment in capital assets amounted to \$39,122,787 and \$40,022,038 (net of accumulated depreciation), respectively. The investment in capital assets includes land, property rights, subsurface sewer lines, pump stations, buildings and structures, equipment, vehicles and construction in progress, etc. Significant changes in capital assets of the District during the fiscal year ended June 30, 2011 were: sewer construction costs on Bristol Street (\$91,817), repairs and pump replacement costs for several pump stations (\$108,085), and the completion of the District Yard construction in the total amount of (\$2,661,546).

See independent auditors' report.

COSTA MESA SANITARY DISTRICT

Management's Discussion and Analysis (Continued)

June 30, 2011

Capital Asset Administration (Continued)

Additional information on the District's capital assets can be found in Notes 3 and 6 of the Notes to Financial Statements.

Long-Term Debt

As of June 30, 2011, the District had no long-term debt.

Economic Factors and Next Year's Budgets

Due to the weak economic condition of the state and local economies, the Costa Mesa Sanitary District's budget for the fiscal year ending June 30, 2012 includes no increases to both the annual trash and sewer collection rates charge. The budget for fiscal year ending June 30, 2012 includes \$2,397,250 in appropriations for capital improvements and replacement projects. This is an aggressive CIP plan to improve sewer improvement projects that will ensure current and future wastewater is continually being collected and transported in a safe and efficient manner. Another feature of the budget for fiscal year 2011-2012 is a new Asset Management Fund that will be used to accumulate funds in accordance with the results of an asset management study conducted in 2011. Funds will accumulate in the new Asset Management Fund and be used for the construction and replacement of sewer infrastructure.

Request for Information

The financial report is designed to provide our Board of Directors, citizens, customers, ratepayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. If you have questions about the report or need additional financial information, contact the District's Finance Department at 628 W. 19th Street, Costa Mesa, California 92627.

See independent auditors' report.

BASIC FINANCIAL STATEMENTS

COSTA MESA SANITARY DISTRICT
COMBINED STATEMENT OF NET ASSETS

June 30, 2011
(With prior year data for comparison only)

ASSETS	Solid Waste	Liquid Waste
CURRENT ASSETS:		
Cash and cash equivalents (Note 2)	\$ 2,524,434	\$ 5,311,833
Investments (Note 2)	3,033,788	6,383,600
Accounts receivable	25,192	50,646
Interest receivable	14,508	31,684
Assessments receivable	174,678	151,558
Prepaid expenses	-	-
Inventory	-	37,938
Due from other governments	-	25,200
TOTAL CURRENT ASSETS	<u>5,772,600</u>	<u>11,992,459</u>
NONCURRENT ASSETS:		
Capital assets (Note 3):		
Non-depreciable	-	1,365,298
Depreciable, net of accumulated depreciation	-	37,757,489
TOTAL NONCURRENT ASSETS	<u>-</u>	<u>39,122,787</u>
TOTAL ASSETS	<u>5,772,600</u>	<u>51,115,246</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable	414,373	350,928
Accrued liabilities	14,092	40,265
Deposits payable	-	100,000
Unearned revenue	97,675	-
Due to other governments	-	589
Compensated absences	11,147	7,431
TOTAL CURRENT LIABILITIES	<u>537,287</u>	<u>499,213</u>
LONG-TERM LIABILITIES:		
Compensated absences	<u>10,640</u>	<u>29,410</u>
TOTAL LIABILITIES	<u>547,927</u>	<u>528,623</u>
NET ASSETS:		
Invested in capital assets	-	39,122,787
Restricted for capital outlay	-	381,368
Unrestricted	5,224,673	11,082,468
TOTAL NET ASSETS	<u>\$ 5,224,673</u>	<u>\$ 50,586,623</u>

See independent auditors' report and notes to financial statements.

Other Enterprise Fund	Totals	
	2011	2010 (As Restated)
\$ 74,891	\$ 7,911,158	\$ 11,225,951
90,002	9,507,390	3,518,864
-	75,838	29,041
244	46,436	15,119
-	326,236	411,475
-	-	23,373
-	37,938	-
-	25,200	772,308
165,137	17,930,196	15,996,131
-	1,365,298	3,807,784
-	37,757,489	36,214,254
-	39,122,787	40,022,038
165,137	57,052,983	56,018,169
-	765,301	917,069
-	54,357	284,691
-	100,000	100,000
-	97,675	129,644
-	589	2,884
-	18,578	43,491
-	1,036,500	1,477,779
-	40,050	29,586
-	1,076,550	1,507,365
-	39,122,787	40,022,038
-	381,368	7,719,551
165,137	16,472,278	6,769,215
\$ 165,137	\$ 55,976,433	\$ 54,510,804

COSTA MESA SANITARY DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS

For the year ended June 30, 2011
(With prior year data for comparison only)

	Solid Waste	Liquid Waste
OPERATING REVENUES:		
Trash assessments	\$ 5,185,184	\$ -
Sewer assessments	-	5,116,190
Permits and inspection fees	-	46,222
Connection fees	-	28,865
Other services	107,050	55,429
TOTAL OPERATING REVENUES	<u>5,292,234</u>	<u>5,246,706</u>
OPERATING EXPENSES:		
Solid waste disposal	2,364,254	-
Liquid waste disposal	-	1,287,705
Recycling and disposal charges	2,134,678	-
Administration and other	646,811	1,382,667
Repairs and maintenance	11,986	332,076
Depreciation	-	1,540,281
TOTAL OPERATING EXPENSES	<u>5,157,729</u>	<u>4,542,729</u>
OPERATING INCOME	<u>134,505</u>	<u>703,977</u>
NONOPERATING REVENUES (EXPENSES):		
Investment income	40,830	112,342
Taxes	212,004	-
Other revenues	69,856	-
Loss on disposal of assets	-	(1,542)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>322,690</u>	<u>110,800</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>457,195</u>	<u>814,777</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS:		
Capital contributions	-	-
Transfers in	-	28,520
Transfers out	-	-
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>-</u>	<u>28,520</u>
CHANGES IN NET ASSETS	<u>457,195</u>	<u>843,297</u>
NET ASSETS - BEGINNING OF YEAR, AS ORIGINALLY REPORTED	4,767,478	32,934,482
RESTATEMENT OF NET ASSETS (NOTE 6)	<u>-</u>	<u>16,808,844</u>
NET ASSETS - BEGINNING OF YEAR, AS RESTATED	<u>4,767,478</u>	<u>49,743,326</u>
NET ASSETS - END OF YEAR	<u>\$ 5,224,673</u>	<u>\$ 50,586,623</u>

See independent auditors' report and notes to financial statements.

Other Enterprise Fund	Totals	
	2011	2010
\$ -	\$ 5,185,184	\$ 5,176,122
-	5,116,190	5,124,283
-	46,222	22,870
-	28,865	11,468
192,550	355,029	125,437
192,550	10,731,490	10,460,180
-	2,364,254	2,361,580
-	1,287,705	681,451
-	2,134,678	2,108,307
-	2,029,478	1,969,521
-	344,062	366,526
-	1,540,281	622,319
-	9,700,458	8,109,704
192,550	1,031,032	2,350,476
1,107	154,279	188,045
-	212,004	220,329
-	69,856	838,628
-	(1,542)	(1,235)
1,107	434,597	1,245,767
193,657	1,465,629	3,596,243
-	-	4,243,681
-	28,520	746,932
(28,520)	(28,520)	(746,932)
(28,520)	-	4,243,681
165,137	1,465,629	7,839,924
-	37,701,960	29,862,036
-	16,808,844	-
-	54,510,804	29,862,036
\$ 165,137	\$ 55,976,433	\$ 37,701,960

COSTA MESA SANITARY DISTRICT
COMBINED STATEMENT OF CASH FLOWS

For the year ended June 30, 2011
(With prior year data for comparison only)

	Solid Waste	Liquid Waste
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 5,273,009	\$ 5,205,460
Payments to suppliers	(4,735,248)	(1,914,881)
Payments to employees	(327,960)	(781,449)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>209,801</u>	<u>2,509,130</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Taxes received	212,004	-
Other revenues	69,856	-
Cash received from other funds	-	28,520
Cash paid to other funds	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>281,860</u>	<u>28,520</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	-	(642,571)
Capital contributions	-	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>(642,571)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on cash and investments	30,888	91,211
Increase (decrease) in investments	(1,832,018)	(4,066,505)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(1,801,130)</u>	<u>(3,975,294)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,309,469)	(2,080,215)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>3,833,903</u>	<u>7,392,048</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 2,524,434</u></u>	<u><u>\$ 5,311,833</u></u>

See independent auditors' report and notes to financial statements.

Other Enterprise Fund	Totals	
	2011	2010
\$ 192,550	\$ 10,671,019	\$ 10,342,308
-	(6,650,129)	(8,162,737)
-	(1,109,409)	886,504
192,550	2,911,481	3,066,075
-	212,004	220,329
-	69,856	838,627
-	28,520	746,932
(28,520)	(28,520)	(746,932)
(28,520)	281,860	1,058,956
-	(642,571)	(3,543,006)
-	-	1,300,000
-	(642,571)	(2,243,006)
864	122,963	236,776
(90,003)	(5,988,526)	1,630,266
(89,139)	(5,865,563)	1,867,042
74,891	(3,314,793)	3,749,067
-	11,225,951	7,476,884
\$ 74,891	\$ 7,911,158	\$ 11,225,951

(Continued)

COSTA MESA SANITARY DISTRICT

COMBINED STATEMENT OF CASH FLOWS
(CONTINUED)For the year ended June 30, 2011
(With prior year data for comparison only)

	Solid Waste	Liquid Waste
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 134,505	\$ 703,977
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	-	1,540,281
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	2,552	(49,349)
(Increase) decrease in assessments receivable	74,841	10,398
(Increase) decrease in inventory	-	(37,938)
(Increase) decrease in prepaid items	-	23,373
(Increase) decrease in due from other governments	-	747,108
Increase (decrease) in accounts payable	4,280	(156,050)
Increase (decrease) in accrued liabilities	9,593	(239,927)
Increase (decrease) in deferred revenue	(31,969)	-
Increase (decrease) in due to other governments	-	(2,295)
Increase (decrease) in compensated absences	15,999	(30,448)
Total adjustments	75,296	1,805,153
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 209,801	\$ 2,509,130

See independent auditors' report and notes to financial statements.

Other Enterprise Fund	Totals	
	2011	2010
<u>\$ 192,550</u>	<u>\$ 1,031,032</u>	<u>\$ 2,350,476</u>
-	1,540,281	622,319
-	(46,797)	19,020
-	85,239	106,424
-	(37,938)	-
-	23,373	(23,373)
-	747,108	(363,215)
-	(151,770)	103,247
-	(230,334)	122,755
-	(31,969)	119,899
-	(2,295)	(6,417)
-	(14,449)	14,940
<u>-</u>	<u>1,880,449</u>	<u>715,599</u>
<u>\$ 192,550</u>	<u>\$ 2,911,481</u>	<u>\$ 3,066,075</u>

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COSTA MESA SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. The Organization:

The Costa Mesa Sanitary District (the District) was incorporated in February 1944 pursuant to Division VI, Part 1 of the Health and Safety Code of the State of California (sometimes referred to as the Sanitary District Act of 1923). At the present time, the boundaries of the District extend into the Cities of Costa Mesa and Newport Beach as well as unincorporated areas within the County of Orange.

b. Uniform Accounting System:

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenses. This system permits separate accounting for each established fund, for purposes of complying with: (a) applicable legal provisions, (b) Board of Director's ordinances and resolutions and (c) other requirements. Also, the accounts have been maintained in accordance with the California State Controller's uniform system of accounts.

c. Basis of Presentation:

The accounts of the District are presented as enterprise funds. An enterprise fund is a proprietary type fund used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District reports the following major enterprise funds:

Solid Waste - This fund is used to account for the collection of trash charges, the cost of managing the refuse collection and recycling processes, and the cost of contract services provided to the District.

Liquid Waste - This fund is used to account for the collection of sewer charges, the cost of construction, maintaining sewer lines and pump stations, and the cost of contract services provided to the District. This fund also accounts for the collection of charges paid by or on behalf of the property owner for the construction of street sewers, and cost of acquisition, construction, and reconstruction of sewage facilities within the District.

See independent auditors' report.

COSTA MESA SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

c. Basis of Presentation (Continued):

Other Enterprise Fund:

The other enterprise fund accounts for the accumulation of reserves for the purchase of new or replacement vehicles, equipment and computers. Revenues are recorded as charges for rental of assets to the Solid and Liquid Waste Funds.

When both restricted and unrestricted resources are available, it is the District's policy to use unrestricted resources first, and then restricted resources as they are needed.

d. Measurement Focus and Basis of Accounting:

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the economic resources measurement focus, and the accrual basis of accounting. Under the economic resources measurement focus all assets and liabilities (whether current or noncurrent) associated with these activities are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Net Assets present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

e. Net Assets:

In the Statement of Net Assets, net assets are classified in the following categories:

- Invested in capital assets, net of related debt - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.
- Restricted net assets - Certain assets of the District are restricted in use by ordinance, or by external creditors, grantors, contributors, or laws or regulations of other governments and, accordingly are shown as restricted assets on the accompanying statement of net assets.
- Unrestricted net assets - This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets".

See independent auditors' report.

COSTA MESA SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

f. Operating Revenues and Expenses:

Operating revenues, such as charges for services (solid and liquid waste), result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as property taxes and assessments, and investment income, result from nonexchange transactions or ancillary activities in which the District gives (receives) value without directly receiving (giving) equal value in exchange.

Operating expenses include the cost of services, administrative expenses and depreciation on capital assets.

g. Accounts Receivable:

Management has evaluated the accounts and believes they are all collectible. Management evaluates all accounts receivable and if it is determined that they are uncollectible they are written off as a bad debt expense.

h. Capital Assets:

Capital assets purchased by the District are capitalized at cost. Data reflected in the District's capital asset records include estimates of original cost as determined by knowledgeable District personnel. Contributed capital assets, consisting primarily of donated subsurface lines dedicated to the District by contractors, or other governmental agencies are recorded as contributed capital assets, which increases the net assets of the District. Such contributed capital assets are recorded at their fair market value at the time of donation.

Any single item purchased by the District with a cost greater than or equal to \$5,000 and an estimated useful life of greater than one year is capitalized and depreciated. Depreciation is charged to operations using the straight-line method based on the estimated useful life of the asset. The estimated useful lives are as follows:

Buildings	20 - 50 years
Improvements	20 years
Subsurface sewer lines	60 years
Equipment	5 - 20 years
Vehicles	5 - 10 years
Other	5 - 20 years

See independent auditors' report.

COSTA MESA SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

i. Capital Contributions:

Capital contributions represent cash and capital asset additions contributed to the District by property owners or real estate developers desiring services that require capital expenditures or capacity commitment.

j. Property Taxes:

The Orange County Assessor's Office assesses all real and personal property within the County each year. The Orange County Tax Collector's Office bills and collects the District's share of property taxes and assessments. The Orange County Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property taxes in California are levied in accordance with Article XIII A of the State Constitution at 1% of countywide assessed valuations. This levy is allocated pursuant to state law to the appropriate units of local governments.

Property taxes receivable at year-end are related to property taxes collected by the Orange County Tax Collector which have not been credited to the District's cash balance as of June 30.

The property tax calendar is as follows:

Lien Date:	January 1
Levy Date:	July 1
Due Dates:	First Installment - November 1 Second Installment - March 1
Collection Dates:	First Installment - December 10 Second Installment - April 10

k. Maintenance Costs:

All expenses for maintenance and repairs of property, including renewals of minor items, are charged to the appropriate maintenance expense accounts. A betterment or replacement of a unit of property is accounted for as an addition or retirement of capital assets.

l. Compensated Absences:

Accumulated unpaid vacation and other employee benefit amounts are accrued when vested. At June 30, 2011, compensated absences payable amounted to \$58,628, of which \$40,050 is considered a long-term liability.

See independent auditors' report.

COSTA MESA SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

l. Compensated Absences (Continued):

Compensated absences are comprised of unpaid vacation leave which is accrued when benefits are fully vested. The District's liability for compensated absences is determined annually.

Changes to compensated absences for 2011, were as follows:

	Balance			Balance	Current	Long-Term
	June 30, 2010	Earned	Taken	June 30, 2011	Portion	Portion
Compensated absences	\$ 73,077	\$ 50,045	\$ (64,494)	\$ 58,628	\$ 18,578	\$ 40,050

m. Claims and Judgments:

When it is probable that a claim liability has been incurred at year-end, and the amount of the loss can be reasonably estimated, the District records the estimated loss, net of any insurance coverage under its participation in the Joint Power Insurance Authority program. At June 30, 2011, in the opinion of the District's legal counsel, the District had no material claims which would require loss provision in the financial statements. Small dollar claims and judgments are recorded as expenses when paid.

n. Investments:

Investments are stated at fair value (quoted market price or the best available estimates thereof). Net increase (decrease) in the fair value of investments, which consists of realized gains (losses) and the unrealized gains (losses), is shown in the statement of revenues, expenses and changes in net assets.

o. Cash and Cash Equivalents:

For purposes of the statement of cash flows, cash equivalents are defined to include an investment in the District's cash and investment pool, as well as any direct investment in short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of three months or less. Investments in United States Government Sponsored Agency Securities are not considered to be cash equivalents as defined above and, therefore, are excluded from the statement of cash flows.

See independent auditors' report.

COSTA MESA SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

p. Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. CASH AND INVESTMENTS:

Cash and Investments:

Cash and investments as of June 30, 2011 are reported in the accompanying combined financial statements as follows:

Financial Statement Classification:

Cash and cash equivalents	\$ 7,911,158
Investments	<u>9,507,390</u>
Total	<u>\$ 17,418,548</u>

Cash and investments as of June 30, 2011 consisted of the following:

Demand Deposits:

Cash deposits	\$ 15,118
Petty cash	<u>700</u>
Total demand deposits	<u>15,818</u>

Investments:

United States Government Sponsored	
Enterprise Securities	9,507,390
California Local Agency Investment Fund (LAIF)	7,853,000
Money Market Mutual Funds	<u>42,340</u>
Total investments	<u>17,402,730</u>
Total cash and investments	<u>\$ 17,418,548</u>

See independent auditors' report.

COSTA MESA SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2011

2. CASH AND INVESTMENTS (CONTINUED):

Investments Authorized by the California Government Code and the District's Investment Policy:

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Obligations	5 years	None	None
Federal Agencies (United States Government Sponsored Agency Securities)	5 years	None	None
Banker's Acceptances	180 days	25%	10%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	25%	10%
Medium-Term Corporate Notes	5 years	20%	10%
Money Market Mutual Funds	5 years	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	\$ 40 million

Disclosures Relating to Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

See independent auditors' report.

COSTA MESA SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2011

2. CASH AND INVESTMENTS (CONTINUED):

Disclosures Relating to Interest Rate Risk (Continued):

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2011.

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	13 - 24 Months	25 - 60 Months	
United States Government Sponsored				
Agency Securities	\$ -	\$ -	\$ 9,507,390	\$ 9,507,390
Local Agency Investment Fund	7,853,000	-	-	7,853,000
Money Market Mutual Funds	42,340	-	-	42,340
	<u>\$ 7,895,340</u>	<u>\$ -</u>	<u>\$ 9,507,390</u>	<u>\$ 17,402,730</u>

Disclosures Relating to Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the California Government Code, the District's investment policy and the actual rating by Standards and Poor as of year end for each investment type:

Investment Type	Total	Minimum Legal Rating	AAA	Unrated
United States Government Sponsored				
Agency Securities	\$ 9,507,390	N/A	\$ 9,507,390	\$ -
Local Agency Investment Fund	7,853,000	N/A	-	7,853,000
Money Market Mutual Funds	42,340	A	42,340	-
	<u>\$ 17,402,730</u>		<u>\$ 9,549,730</u>	<u>\$ 7,853,000</u>

Subsequent to June 30, 2011, Standard and Poor's reduced the rating of the United States Government Sponsored Agency Securities from AAA to AA+.

See independent auditors' report.

COSTA MESA SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2011

2. CASH AND INVESTMENTS (CONTINUED):

Concentration of Credit Risk:

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer that represents 5% or more of total District's investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>Percent of Investment</u>
Federal Home Loan Bank	United States Government Sponsored Agency Securities	\$ 1,004,910	5.77%
Federal National Mortgage Association	United States Government Sponsored Agency Securities	3,498,810	20.10%
Federal Home Loan Mortgage Corporation	United States Government Sponsored Agency Securities	1,000,750	5.75%
Federal Farm Credit Bank	United States Government Sponsored Agency Securities	4,002,920	23.00%

Custodial Credit Risk:

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The District's deposits were collateralized as required by California Law.

Investment in State Investment Pool:

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

See independent auditors' report.

COSTA MESA SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2011

3. CAPITAL ASSETS:

Changes in capital assets for the year ended June 30, 2011 are as follows:

	Balance at July 1, 2010 (As Restated)	Additions	Deletions	Balance at June 30, 2011
Capital assets, not being depreciated:				
Land	\$ 979,655	\$ -	\$ -	\$ 979,655
Property rights	4,025	-	-	4,025
Construction in progress	<u>2,824,104</u>	<u>219,849</u>	<u>(2,662,335)</u>	<u>381,618</u>
Total capital assets, not being depreciated	<u>3,807,784</u>	<u>219,849</u>	<u>(2,662,335)</u>	<u>1,365,298</u>
Capital assets, being depreciated:				
Subsurface sewer lines	82,224,077	218,257	(44,022)	82,398,312
Building and improvements	999,527	2,661,546	-	3,661,073
Equipment	409,284	205,254	-	614,538
Vehicles	<u>216,314</u>	<u>-</u>	<u>-</u>	<u>216,314</u>
Total capital assets, being depreciated	<u>83,849,202</u>	<u>3,085,057</u>	<u>(44,022)</u>	<u>86,890,237</u>
Less accumulated depreciation:				
Subsurface sewer lines	(47,302,854)	(1,417,315)	42,481	(48,677,688)
Building and improvements	(119,338)	(55,635)	-	(174,973)
Equipment	(106,760)	(42,296)	-	(149,056)
Vehicles	<u>(105,996)</u>	<u>(25,035)</u>	<u>-</u>	<u>(131,031)</u>
Total accumulated depreciation	<u>(47,634,948)</u>	<u>(1,540,281)</u>	<u>42,481</u>	<u>(49,132,748)</u>
Total capital assets being depreciated, net	<u>36,214,254</u>	<u>1,544,776</u>	<u>(1,541)</u>	<u>37,757,489</u>
Total capital assets, net	<u>\$ 40,022,038</u>	<u>\$ 1,764,625</u>	<u>\$ (2,663,876)</u>	<u>\$ 39,122,787</u>

Depreciation expense was charged to functions of the District as follows:

Liquid waste	<u>\$ 1,540,281</u>
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See independent auditors' report.

COSTA MESA SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2011

4. PENSION PLAN:

a. Plan Description:

The Costa Mesa Sanitary District contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer public employee defined benefit pension plan, effective July 1, 2004. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and District ordinance. Copies of CalPERS' annual financial report may be obtained from their executive office at 400 P Street, Sacramento, CA 95814.

b. Funding Policy:

The District's pension plan is part of the Miscellaneous 2% at 55 Risk Pool. The contribution rate for plan members in the CalPERS, 2% at 55 Risk Pool Retirement Plan is 7% of their annual covered salary. Presently the District pays the entire 7% of the contributions required of District employees on their behalf. Effective October 1, 2011, the District will be adding a second tier of pension benefits for new hires. The new hires will be part of the Miscellaneous 2% at 60 Risk Pool and the newly hired employees will be required to pay the entire 7% of their own member contribution. Also, the District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rates are equal to the annual pension costs (APC) percentage of payroll for fiscal years 2011, 2010 and 2009 as noted below. The contribution requirements of the plan members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS. For fiscal years 2011, 2010 and 2009, the District's annually employer contributions for the CalPERS plan were equal to the District's required and actual contributions for each fiscal year as follows:

Three-Year Trend Information for CalPERS

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>	<u>APC Percentage of Payroll</u>
6/30/09	\$ 113,443	100%	\$ -	13.538 %
6/30/10	112,710	100%	-	12.605 %
6/30/11	108,525	100%	-	11.890 %

See independent auditors' report.

COSTA MESA SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2011

4. PENSION PLAN (CONTINUED):

c. Funding Status:

As of July 1, 2005, the District's Miscellaneous Plan became part of a CalPERS Risk Pool for employers with less than 100 active plan members. The risk pool combines the assets and liabilities across employers of the same risk pool to provide a method to spread the risk of uncertain gains and losses over a large base of members. As part of a cost-sharing multiple-employer defined benefit plan, disclosure of the schedule of funding progress is not required as information is not specific to the District.

5. JOINT POWERS INSURANCE AUTHORITY:

The District is a member of the Special District Risk Management Authority.

Description of the Authority:

The Authority is a risk-pooling self-insurance authority, created under provisions of California Government Code Section 6500 et. seq. The Authority's purpose is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

Self-Insurance Programs of the Authority:

At June 30, 2011, the District participated in the Authority's self-insurance programs as follows:

Property Loss - Insured up to insurable value with a \$2,000 deductible for buildings and personal property and a \$500 deductible for licensed vehicles.

General Liability - Insured up to \$5,000,000 per occurrence with no annual aggregate limits and a \$0 deductible, except \$500 on property damage per occurrence.

Auto Liability - Insured up to \$5,000,000 per occurrence with no annual aggregate limits and a \$0 deductible, except \$1,000 on property damage per occurrence.

Workers' Compensation - Insured up to statutory limits.

Public Officials' Errors and Omissions - Insured up to \$5,000,000 per occurrence with an annual aggregate limit of \$5,000,000.

See independent auditors' report.

COSTA MESA SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2011

5. JOINT POWERS INSURANCE AUTHORITY (CONTINUED):

Self-Insurance Programs of the Authority (Continued):

In addition to the above, the Authority has purchased insurance coverage as follows:

Employee Dishonesty Coverage - Insured up to \$400,000 per occurrence.

The District pays annual premiums for these coverages. They are subject to retrospective adjustments based on claims expended. The nature and amount of these adjustments cannot be estimated and are charged to expenses as invoiced. There were no instances in the past three years where a settlement exceeded the District's coverage.

6. RESTATEMENT OF NET ASSETS:

The District performed a comprehensive capital asset analysis in fiscal year 2011. The infrastructure assets maintained by the engineer of the District were compared to the infrastructure assets reported on the accounting records of the District.

The infrastructure assets were costed based on two methods (Method A and B). Method A was used to cost assets in the District's collection system, other than pump stations. A unit cost or table of unit costs in 2010 dollars, were prepared for each asset class based on the District's recent experience. The unit costs were used to generate a current replacement cost for each asset. The 2010 costs were escalated to 2011 costs using an estimated cost escalation rate of three percent. All asset costs were then de-escalated to the years placed in service using the 20-city construction index series of engineering news record. Depreciation was computed on these costs to June 30, 2010 and deducted to determine the restatement of the capital assets.

Method B was used to cost assets of the Districts' pump stations. Estimated costs by District staff were allocated to five asset classes to reflect the useful lives for the various components of the pump stations. Depreciation was computed on these costs to June 30, 2010 and deducted to determine the restatement of capital assets.

In addition to the capital assets analysis, the District revised its capital asset listing and adjusted capital asset balances for building and improvements, and, machinery and equipment, to remove items for which the District did not have detailed records.

Capital assets at June 30, 2010 were restated as follows:

Infrastructure assets	\$ 17,033,085
Machinery and equipment	(224,241)
	<u>\$ 16,808,844</u>

See independent auditors' report.

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STATISTICAL SECTION

COSTA MESA SANITARY DISTRICT

DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2011

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and the note disclosures say about the government's overall financial health.

Contents:

Pages

Financial Trends these schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

34 - 41

Revenue Capacity these schedules contain information to help the reader assess the District's most significant own source revenues, sewer and trash revenues.

42 - 45

Debt Capacity these schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

46 - 49

Demographic and Economic Information this schedule offers demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

50

Operating Information these schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

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Costa Mesa Sanitary District

Changes in Net Assets and Net Assets by Component

Last Ten Fiscal Years

	Fiscal Year			
	2002	2003	2004	2005
Changes in net assets:				
Operating revenues	\$ 5,558,460	\$ 5,899,213	\$ 6,367,747	\$ 6,792,623
Operating expenses	(5,573,482)	(5,689,330)	(6,147,861)	(7,091,449)
Depreciation and amortization	(450,943)	(597,144)	(607,543)	(659,881)
Operating income (loss)	(465,965)	(387,261)	(387,657)	(958,707)
Non-operating revenue(expenses), net	630,698	450,512	268,620	360,375
Net income (loss) before capital contributions	164,733	63,251	(119,037)	(598,332)
Capital contributions	131,680	-	230,551	961,280
Changes in net assets	<u>\$ 296,413</u>	<u>\$ 63,251</u>	<u>\$ 111,514</u>	<u>\$ 362,948</u>
Net assets:				
Invested in capital assets, net of related debt	\$ 10,682,520	\$ 10,493,226	\$ 11,347,128	\$ 12,178,288
Restricted for capital outlay	1,987,187	2,406,728	2,515,596	2,632,700
Unrestricted	3,752,888	8,292,721	7,441,465	6,939,816
Total net assets	<u>\$ 16,422,595</u>	<u>\$ 21,192,675</u>	<u>\$ 21,304,189</u>	<u>\$ 21,750,804</u>

Source: Costa Mesa Sanitary District

Fiscal Year					
2006	2007	2008	2009	2010 (As Restated)	2011
\$ 7,532,247	\$ 8,209,035	\$ 9,606,545	\$ 10,144,512	\$ 10,460,180	\$ 10,731,490
(7,112,655)	(7,371,732)	(7,762,619)	(7,945,850)	(7,487,385)	(8,160,177)
(681,562)	(344,790)	(478,763)	(573,004)	(622,319)	(1,540,281)
(261,970)	492,513	1,365,163	1,625,658	2,350,476	1,031,032
189,116	769,752	751,660	659,472	1,245,767	434,597
(72,854)	1,262,265	2,116,823	2,285,130	3,596,243	1,465,629
128,822	2,377,046	-	14,000	4,243,681	-
<u>\$ 55,968</u>	<u>\$ 3,639,311</u>	<u>\$ 2,116,823</u>	<u>\$ 2,299,130</u>	<u>\$ 7,839,924</u>	<u>\$ 1,465,629</u>
\$ 11,965,261	\$ 14,363,225	\$ 17,040,959	\$ 17,350,061	\$ 40,022,038	\$ 39,122,787
2,732,231	8,157,794	6,028,258	6,285,042	7,719,551	381,368
7,109,280	2,925,064	4,493,689	6,226,933	6,769,215	16,472,278
<u>\$ 21,806,772</u>	<u>\$ 25,446,083</u>	<u>\$ 27,562,906</u>	<u>\$ 29,862,036</u>	<u>\$ 54,510,804</u>	<u>\$ 55,976,433</u>

Costa Mesa Sanitary District

Operating Revenue by Source

Last Ten Fiscal Years

	Fiscal Year			
	2002	2003	2004	2005
Trash assessments	\$ 3,884,972	\$ 4,105,544	\$ 4,428,648	\$ 4,793,693
Sewer assessments	1,571,722	1,642,255	1,739,375	1,905,567
Permits and inspection fees	34,820	43,126	48,260	54,897
Connection fees	53,979	44,230	77,359	38,466
Other services and charges	12,967	64,058	74,105	-
Total Operating Revenues	\$ 5,558,460	\$ 5,899,213	\$ 6,367,747	\$ 6,792,623

Source: Costa Mesa Sanitary District

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 5,101,835	\$ 5,101,054	\$ 5,136,643	\$ 5,168,413	\$ 5,176,122	\$ 5,185,184
2,279,091	2,747,778	4,254,608	4,632,923	5,124,283	5,116,190
71,560	190,412	22,552	28,183	22,870	46,222
42,133	137,522	13,687	24,270	11,468	28,865
37,628	32,269	179,055	290,723	125,437	355,029
<u>\$ 7,532,247</u>	<u>\$ 8,209,035</u>	<u>\$ 9,606,545</u>	<u>\$ 10,144,512</u>	<u>\$ 10,460,180</u>	<u>\$ 10,731,490</u>

Costa Mesa Sanitary District

Operating Expenses by Activity

Last Ten Fiscal Years

	Fiscal Year			
	2002	2003	2004	2005
Solid waste disposal	\$ 4,046,330	\$ 4,283,616	\$ 4,230,486	\$ 4,441,589
Liquid waste disposal	854,911	906,596	1,248,691	1,338,201
General and administrative	672,241	499,118	668,684	1,311,659
Total Operating Expenses	\$ 5,573,482	\$ 5,689,330	\$ 6,147,861	\$ 7,091,449

Source: Costa Mesa Sanitary District

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 4,650,142	\$ 4,568,661	\$ 4,584,097	\$ 4,499,524	\$ 4,469,887	\$ 4,510,918
1,274,987	1,384,802	1,540,711	1,516,374	1,047,977	1,619,781
1,187,526	1,418,269	1,637,811	1,929,952	1,969,521	2,029,478
<u>\$ 7,112,655</u>	<u>\$ 7,371,732</u>	<u>\$ 7,762,619</u>	<u>\$ 7,945,850</u>	<u>\$ 7,487,385</u>	<u>\$ 8,160,177</u>

Costa Mesa Sanitary District

Non-operating Revenue (Expenses), net

Last Ten Fiscal Years

	Fiscal Year			
	2002	2003	2004	2005
Investment income	\$ 531,421	\$ 418,691	\$ 161,587	\$ 351,957
Investment expense	(54,120)	(133,526)	(126,082)	(58,003)
Taxes	150,214	165,347	155,726	33,527
Other revenues	3,083	-	77,389	32,894
Other expenses	-	-	-	-
Loss on disposal of assets	-	-	-	-
Total non-operating revenues, net	<u>\$ 630,598</u>	<u>\$ 450,512</u>	<u>\$ 268,620</u>	<u>\$ 360,375</u>

Source: Costa Mesa Sanitary District

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 165,387	\$ 571,489	\$ 469,376	\$ 297,158	\$ 188,045	\$ 154,279
(50,826)	(43,941)	-	-	-	-
64,965	217,796	226,046	223,789	220,329	212,004
32,280	50,264	66,265	151,007	838,628	69,856
(22,690)	-	(10,027)	-	-	-
-	(25,856)	-	(12,482)	(1,235)	(1,542)
<u>\$ 189,116</u>	<u>\$ 769,752</u>	<u>\$ 751,660</u>	<u>\$ 659,472</u>	<u>\$ 1,245,767</u>	<u>\$ 434,597</u>

Costa Mesa Sanitary District

Sewer and Trash Revenue Rates

Last Ten Fiscal Years

		Fiscal Year						
		2002	2003	2004	2005			
Sewer								
Customer Type								
Single family residential	\$	24.17	\$	25.38	\$	26.90	\$	29.05
Multi-family residential		18.61		19.54		20.71		22.37
Commercial (per 1000 sf)		14.06		14.76		15.65		16.90
Industrial (per 1000 sf)		41.41		43.48		46.09		49.78
Other (per 1000 sf)		12.46		13.08		13.86		14.97
Trash								
Customer Type								
Single family residential	\$	184.62	\$	193.64	\$	209.13	\$	225.86

Source: Costa Mesa Sanitary District Board of Directors approved rate ordinances and resolutions

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 31.37	\$ 37.64	\$ 56.47	\$ 60.71	\$ 66.23	\$ 66.23
24.16	28.99	43.49	46.75	51.00	51.00
18.25	21.90	32.85	35.31	38.52	38.52
53.76	64.51	96.77	104.03	113.50	113.50
16.17	19.40	29.11	31.29	34.14	34.14
\$ 239.41	\$ 239.41	\$ 239.41	\$ 239.41	\$ 239.41	\$ 239.41

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Costa Mesa Sanitary District

Principal Sewer Customers

Current Fiscal Year and Nine Years Ago

Industrial Customer Type	2011		2002	
	Square Feet Assessed	Percentage of Total	Square Feet Assessed	Percentage of Total
Commonwealth Ave Apts	329,350	3.38%	104,760	1.20%
CJ Sergerstrom & Sons	276,720	2.84%	89,850	1.03%
CLA Val Co	252,480	2.59%	390,170	4.47%
Van Ausdela	124,410	1.28%	124,410	1.43%
Whittier College	122,830	1.26%	122,820	1.41%
SCIF Redhill LLC	118,510	1.22%	1,000	0.01%
1650 Sunflower 40 LLC	114,590	1.18%	-	0.00%
Griswold Industries	114,580	1.18%	-	0.00%
Orange Grove Properties	109,870	1.13%	109,870	1.26%
Alsenz, E C Tr	100,000	1.03%	100,000	1.15%
Seventeenth Street Realty	98,580	1.01%	98,580	1.13%
Delco Company	90,190	0.93%	90,190	1.03%
Signal Hill Family Ltd	90,090	0.92%	90,090	1.03%
Total square feet: Industrial Principal Customers	1,942,200	19.93%	1,321,740	15.15%
Total square feet : Industrial Customers	9,745,720	100.00%	8,726,720	100.00%
Commercial Customer Type	2011		2002	
	Square Feet Assessed	Percentage of Total	Square Feet Assessed	Percentage of Total
South Coast Plaza	1,108,630	3.48%	787,050	3.17%
RREF America REIT II	835,680	2.62%	-	0.00%
Magurie Properties - Pacific Arts Plaza LLC	834,370	2.62%	-	0.00%
Interinsurance Exchange of the Auto Club of Ca	750,910	2.36%	37,290	0.15%
Coast Community College District	674,060	2.12%	86,620	0.35%
Sears Roebuck & Co.	536,980	1.69%	446,150	1.80%
Vanguard University of Southern California	528,170	1.66%	486,330	1.96%
600 Anton Boulevard	490,350	1.54%	459,090	1.85%
Center Tower Associates	451,550	1.42%	-	0.00%
J Ray Sanderson/Cardinal Development Bristol	419,440	1.32%	419,440	1.69%
JKS - CMFV LLC	362,700	1.14%	-	0.00%
One Town Center Drive Associates	357,440	1.12%	319,390	1.29%
Total square feet: Commercial Principal Customers	7,350,280	23.09%	3,041,360	12.26%
Total square feet: Commercial Customers	31,838,010	100.00%	24,813,219	100.00%
Multi-family Residential Customer Type	2011		2002	
	Household Units	Percentage of Total	Household Units	Percentage of Total
RTS - Sunflower, LLC	890	3.52%	-	0.00%
Casden Lakes LP	770	3.04%	770	3.01%
Costa Mesa Partners	764	3.02%	764	2.99%
United Dominion Realty LP	764	3.02%	764	2.99%
Pincreek Investment Co.	620	2.45%	620	2.43%
ZMV Partnership	508	2.01%	508	1.99%
UDR Harbor Greens LP	384	1.52%	384	1.50%
Bay Apartment Communities, Inc.	333	1.32%	-	0.00%
Riverville Family	296	1.17%	-	0.00%
Park Mesa Village	276	1.09%	276	1.08%
Parkwood Village Ltd	276	1.09%	276	1.08%
Total household units: Multi-family Principal Customers	5,881	23.23%	4,362	17.07%
Total household units assessed: Multi-family Customers	25,317	100.00%	25,559	100.00%

Note: Data for principal customers is unavailable prior to 2002

Source: Costa Mesa Sanitary District

Costa Mesa Sanitary District

Ratio of Outstanding Debt

Last Ten Fiscal Years

	Fiscal Year			
	2002	2003	2004	2005
Capital leases	\$ 2,113,529	\$ 1,934,153	\$ 1,784,541	\$ 1,573,627
Total debt	\$ 2,113,529	\$ 1,934,153	\$ 1,784,541	\$ 1,573,627
Total debt per capita	\$ 19	\$ 17	\$ 16	\$ 14
Total debt as a percent of personal income	0.05%	0.05%	0.04%	0.03%

Source: Costa Mesa Sanitary District Accounting Department

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 1,354,945	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,354,945	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 12	\$ -	\$ -	\$ -	\$ -	\$ -
0.03%	0.00%	0.00%	0.00%	0.00%	0.00%

Costa Mesa Sanitary District

Debt Coverage

Last Ten Fiscal Years

	Fiscal Year			
	2002	2003	2004	2005
Net Revenues	\$ 6,243,178	\$ 6,483,251	\$ 6,762,449	\$ 7,211,001
Operating Expenses	5,573,482	5,689,330	6,147,861	7,091,449
Net revenues	<u>\$ 669,696</u>	<u>\$ 793,921</u>	<u>\$ 614,588</u>	<u>\$ 119,552</u>
Debt Service:				
Principal	\$ -	\$ 179,376	\$ 149,612	\$ 210,914
Interest	54,120	133,526	126,082	58,003
Total debt service	<u>\$ 54,120</u>	<u>\$ 312,902</u>	<u>\$ 275,694</u>	<u>\$ 268,917</u>
Debt coverage ratio	12.37	2.54	2.23	0.44

Source: Costa Mesa Sanitary District

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 7,772,189	\$ 9,022,728	\$ 10,358,205	\$ 10,803,984	\$ 11,705,947	\$ 11,166,087
7,112,655	7,371,732	7,762,619	7,945,850	7,487,385	8,160,177
<u>\$ 659,534</u>	<u>\$ 1,650,996</u>	<u>\$ 2,595,586</u>	<u>\$ 2,858,134</u>	<u>\$ 4,218,562</u>	<u>\$ 3,005,910</u>
\$ 218,682	\$ 1,354,945	\$ -	\$ -	\$ -	\$ -
50,826	43,941	-	-	-	-
<u>\$ 269,508</u>	<u>\$ 1,398,886</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
2.45	1.18	N/A	N/A	N/A	N/A

Costa Mesa Sanitary District
Demographics and Economic Statistics
Last Ten Calendar Years

Calendar Year	City of Costa Mesa (a)		County of Orange (b)		
	District Service Population	Unemployment Rate	Population	Personal Income (thousands of dollars)	Personal Income per Capita
2001	108,901	3.5%	2,890,972	\$ 112,246,731	\$ 38,827
2002	109,195	4.4%	2,917,106	116,004,953	39,767
2003	109,171	4.3%	2,940,109	122,427,855	41,641
2004	109,903	3.8%	2,956,096	130,321,396	44,086
2005	109,030	3.4%	2,957,263	139,408,948	47,141
2006	108,096	3.0%	2,953,062	150,598,354	50,997
2007	107,641	3.5%	2,957,902	153,446,641	51,877
2008	107,514	4.7%	2,989,141	155,068,367	51,877
2009	109,808	8.0%	3,026,786	148,372,628	49,020
2010	109,960	8.6%	3,010,232	*	*

* Data not readily available.

- Notes:
- (a) Approximate population of Costa Mesa Sanitary District is the same as the population of the City of Costa Mesa.
 - (b) The District has chosen to use County data since the District believes that the County data is representative of the conditions and experience of the District.

- Sources:
- (a) California Department of Finance
 - (a) California LaborMarketInfo
 - (b) U.S. Department of Commerce, Bureau of Economic Analysis

Costa Mesa Sanitary District
Full-time and Part-time District Employees
By Function
Last Seven Fiscal Years

	Fiscal Year						
	2005	2006	2007	2008	2009	2010	2011
Solid Waste	0.95	0.95	1.10	1.60	1.65	1.28	3.80
Liquid Waste	4.55	5.55	6.90	9.40	9.85	10.72	8.45
Total Full-time equivalent	5.50	6.50	8.00	11.00	11.50	12.00	12.25

Note: The District had no employees prior to 2005. all operations were provided by contract services.

Costa Mesa Sanitary District

Operating Indicators
By Function

Last Four Fiscal Years

	Fiscal Year			
	2008	2009	2010	2011
Solid Waste:				
Household units serviced	21,471	21,482	21,501	21,531
Recycled/landfill tonnage	42,269	40,908	40,374	40,865
Recycled %	50.45%	50.44%	50.44%	51.92%
Liquid Waste:				
Linear feet (LF) of sewer line cleaned	350,000	411,150	4,125	890,006
Average of wastewater discharged	13.8 MGD	13.8 MGD	13.8 MGD	13.0 MGD
Sewer lateral financial assistance grants	90	120	128	146

MGD - Millions of gallons per day

Source: Costa Mesa Sanitary District

Costa Mesa Sanitary District

Capital Asset Statistics

Last Ten Fiscal Years

Liquid Waste

Fiscal Year	Miles of Sanitary Sewers	Number of Pump Stations	Number of Manholes
2002	327	20	4,555
2003	327	20	4,555
2004	328	20	4,581
2005	329	20	4,599
2006	329	20	4,600
2007	330	20	4,646
2008	330	20	4,646
2009	330	20	4,649
2010	333	20	4,703
2011	333	20	4,703

Source: Costa Mesa Sanitary District





COSTA MESA SANITARY DISTRICT

...an Independent Special District

Memorandum

To: Board of Directors

Via: Scott Carroll, General Manager 

From: Teresa Gonzalez, Accounting Manager 

Date: December 15, 2011

Subject: Annual Compliance Report for Requirements of Government Code Section 66013 for Capacity Charges.

Summary

Staff is providing the Board with the Annual Compliance Report to fulfill the information and reporting requirements of Government Code Section 66013 for capacity charges.

Staff Recommendation

Staff recommends the Board receive and file this report.

Analysis

On May 27, 2010 the Board adopted Ordinance No. 76, revising the charges collected by the District and establishing that fixture fees are capacity charges and making related clarifying changes. Fixture fees are capacity charges for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities.

Upon payment of the fees, the money shall be deposited in a separate capital facilities account maintained in accordance with Government Code Section 66013(d). For each such separate account, the District shall, within one hundred eighty (180) days of the close of the fiscal year, make available to the public the following information:

- (1) A description of the charges deposited in the fund.
- (2) The beginning and ending fund balance of the fund and the interest earned from investment of moneys in the fund.

- (3) The amount of charges collected in that fiscal year.
- (4) An identification of all of the following:
 - (A) Each public improvement on which charges were expended and the amount of the expenditure for each improvement, including the percentage of the total cost of the public improvement that was funded with those charges if more than one source of funding was used.
 - (B) Each public improvement on which charges were expended that was completed during that fiscal year.
 - (C) Each public improvement that is anticipated to be undertaken in the following fiscal year.
- (5) A description of each interfund transfer or loan made from the capital facilities fund. The information provided, in the case of an interfund transfer, shall identify the public improvements on which the transferred moneys are, or will be, expended. The information, in the case of an interfund loan, shall include the date on which the loan will be repaid, and the rate of interest that the fund will receive on the loan.

Strategic Element & Goal

This item supports achieving Strategic Element No. 7.0, *Finances*, by providing financial resources to fund current and planned operations and projects.

Legal Review

None.

Financial Review

Finance staff confirms that the Annual Compliance Report presents fairly the financial activity of the Facilities Revolving Fund during the fiscal year ending June 30, 2011. During the fiscal year 2010-11 the Facilities Revolving Fund received \$28,865 in capacity charges, \$3,950 in interest income and expensed \$263,635 for CMSD Corporate Yard project costs. As of June 30, 2011 the funds available in the Facilities Revolving Fund were \$381,368 and designated for the System Wide Sewer Reconstruction Phase 1 and Phase 2 project costs to be incurred in fiscal year 2011-12 and subsequent year.

In comparison, the capacity charges collected in fiscal year 2009-10 were \$11,468 and interest income received was \$20,196. The increase in the amount of capacity charges collected was due to the Board approved fixture fee increase from \$7.50 to \$17.25 per unit at the May 27, 2010 Board meeting. The decrease in interest income was due to the decrease in the annual average cash balance from approximately \$1,570,000 in FY 2009-10 to approximately \$483,000 in FY 2010-11. The cash balance decreased in FY 2010-11 due to the cash requirement for the completion of the Corporate Yard project.

Committee Recommendation

Not applicable

Public Notice Process

Copies of this report are on file and will be included with the entire agenda packet for the December 15, 2011 Board of Directors regular meeting at District Headquarters and on the District's website.

Alternative Actions

1. Refer the matter back to staff

Attachments

Attachment 1: Annual Compliance Report for capacity charges.

**COSTA MESA SANITARY DISTRICT
ANNUAL COMPLIANCE REPORT FOR REQUIREMENTS OF
GOVERNMENT CODE SECTION 66013
Fiscal Year Ending June 30, 2011**

Government Code Section 66013(d) For each separate account, the District shall, within one hundred eighty (180) days of the close of the fiscal year, make available to the public the following information:

(1) A description of the charges deposited in the fund.

Capacity Charges – The purpose of these fixture fees is for the acquisition, construction, or reconstruction of local sewers. These fees provide the facilities or infrastructure to accommodate the demands generated by future development within the District.

(2) The beginning and ending balance of the fund and the interest earned from investment of moneys in the fund.

(3) The amount of charges collected in the fiscal year.

Beginning July 1, 2010	\$ 612,188
Plus: Fees Collected	28,865
Interest	3,950
Transfers In from Other Funds	0
Less: Project Costs	(263,635)
Refunds	0
Ending June 30, 2011	<u>\$ 381,368</u>

(4) An identification of all of the following:

(A) Each public improvement on which charges were expended and the amount of the expenditure for each improvement, including the percentage of the total cost of the public improvement that was funded with those charges if more than one source of funding was used.

CMSD Corporate Yard	\$ 263,635	100%
---------------------	------------	------

(B) Each public improvement on which charges were expended that was completed during that fiscal year.

CMSD Corporate Yard

(C) Each public improvement that is anticipated to be undertaken in the following fiscal year.

System Wide Sewer Reconstruction Phase 1
System Wide Sewer Reconstruction Phase 2

(5) A description of each interfund transfer or loan made from the capital facilities fund. The information provided, in the case of an interfund transfer, shall identify the public improvements on which the transferred moneys are, or will be, expended. The information, in the case of an interfund loan, shall include the date on which the loan will be repaid, and the rate of interest that the fund will receive on the loan.

No interfund transfer or loans were made during the fiscal year utilizing these funds.



COSTA MESA SANITARY DISTRICT

... an Independent Special District

Memorandum

To: Board of Directors

From: Scott Carroll, General Manager 

Date: December 15, 2011

Subject: Road to Zero Waste Conference – Austin, Texas, February 7-9, 2012

Summary

The Solid Waste Association of North America (SWANA) is continuing to explore "The Road to Zero Waste" by sponsoring another two day conference in February 2012. The conference will provide the latest information on zero waste initiatives and practical advice on how communities can utilize these concepts in municipal solid waste management plans.

Staff Recommendation

That the Recycling Committee recommends the Board of Directors approves sending at least one CMSD official to attend the Zero Waste Conference in Austin, Texas on February 9, 2012.

Analysis

Attached is the program for the Zero Waste Conference. I don't believe the first two days of the conference would be beneficial to CMSD because it includes topics that this committee has discussed and focused on for some time now. However, the last day of the conference, February 9th, does include interesting topics that I believe would be worthwhile to attend and bring back useful information as CMSD moves forward to achieving zero waste goals. The topics scheduled for February 9th include:

- Zero waste infrastructure case studies
- Zero waste community case studies
- Food scrap diversion
- Recap outstanding issues and determine the next step on the Road to Zero Waste

The cost to attend this conference for one day is provided below in the Financial Review section.

Strategic Element & Goal

This item supports achieving Strategic Element No. 2.0, *Solid Waste* and Strategic Goal No. 2.5, *Encourage Zero Waste*.

Legal Review

Not applicable

Financial Review

The cost to send one person from CMSD to the Zero Waste Conference in Austin, Texas is provided in details below:

Conference	\$279	Thursday only
Airfare	230	Roundtrip from John Wayne Airport to Austin, Texas
Hotel	308	Two nights (include taxes)
Transportation	33	Super Shuttle round trip
Meals	<u>40</u>	
Total:	\$890	

In order to provide adequate funds to cover the Conference expenses the following budget adjustment is necessary and requires Board approval:

		<u>Increase</u>	<u>Decrease</u>
Staff Development	10-100000-4505	\$ 900.00	
Travel/Meals/Lodging	10-100000-4510	\$ 900.00	
Prof. Membership/Dues	10-100000-4500		\$1,800.00

Alternative Actions

Do not send anyone from CMSD to the Zero Waste Conference in Austin, Texas

Reviewed by:



Teresa Gonzalez
Accounting Manager



THE ROAD TO ZERO WASTE

Austin, Texas | February 7-9, 2012

Home Register Conference Training Courses Exhibits & Sponsors Papers and Presentations Hotel

You are here : [Conference](#)

Conference Program

Tuesday, February 7, 2012

2:00 pm - 6:00 pm

Facility Tour: Texas Disposal Systems

Description coming soon!

Wednesday, February 8, 2012

8:00 am - 5:00 pm

Registration Open

9:00 am - 9:15 am

Welcome and Opening Remarks

Lee Leffingwell, *Mayor, City of Austin*

Josephine Valencia, S.C., *Director, SWANA's Recycling & Special Waste Technical Division and Assistant Director, Solid Waste Management, City of San Antonio, TX*

9:15 am - 10:30 am

Keynote Panel Discussion: Defining Zero Waste

Gary Liss, *Zero Waste Advisor, GrassRoots Recycling Network and President, Gary Liss & Associates, CA*

Bob Gedert, *Director, Austin Resource Recovery, TX*
John Skinner, PhD, *Executive Director and CEO, SWANA, MD*

10:30 am - 11:00 am

Break

11:00 am - 12:30 pm

**Beating the Zero Waste Path to Your Business:
From the Loading Dock to Your Front Door**

Elaine Singleton, *Vice President of North American Supply Chain Management, Technicolor Home Entertainment Services, Inc., CA*

Tom Carpenter, *Director, Sustainability Services, Waste Management*

2:00 pm - 3:30 pm

Shortcut to Zero Waste: Reuse

MaryEllen Etienne, *Executive Director, The Reuse Alliance, NY*

Christine Banks, *Vice President, Environmental Business, Goodwill Industries of Central Texas*

Tim Flanagan, S.C., *Assistant General Manager, Monterey Regional Waste Management District, CA*

4:00 pm - 5:30 pm

The Buck Stops Here: Zero Waste Funding and Financing

Bill Spelman, *Austin City Council Member*

Bob Hilton, *Certified Management Consultant and President, HF&H Consultants, CA*

Ruth Abbe, *Vice President and National Practice Leader in Zero Waste Planning, HDR, Inc., CA*

5:30 pm - 6:30 pm

SWANA's Recycling and Special Waste Technical Division Meeting

6:30 pm - 8:00 pm

Welcoming Reception and Trade Show Opening

Thursday, February 9, 2012

8:00 am - 5:00 pm

Registration Open

8:30 am - 10:00 am

Road Trip: Zero Waste Infrastructure Case Studies

Kerry R. Getter, *Director and CEO, Balcones Resources, Inc., TX*

Bob Gregory, *Chairman and CEO, Texas Disposal Systems, TX*

Phil Gosh, *Owner and Mastery Nurseryman, Organics by Gosh, TX*

Registration Information

[Attendee Online Registration](#)

[Attendee Registration Form](#)

[Speaker Registration](#)

Quick Info

Hotel Information:

DoubleTree Austin

Rates: \$134/S-\$149/D-\$184/T-\$219/Q

(includes complimentary breakfast)

Cut-off date: January 5, 2012

For reservations, call VIP Meetings at 800-926-3976 or [book a room online](#).

Exhibit and Sponsor:

[Exhibitor Prospectus](#)

[Floor Plan PDF](#)

For more information or to reserve your exhibit space or sponsorship opportunity, please contact Rich Ryan at Exhibits@SWANA.org or 330.686.0353.

For updates and other SWANA news, follow SWANA's news feed at www.Twitter.com/SWANA

10:00 am - 10:30 am **Break**
10:30 am - 12:00 pm **Following in their Footsteps: Zero Waste Community Case Studies**

City of Dallas, TX: Ron Smith, *Assistant Director, Sanitation Services*, City of Dallas
Portland, OR: Jim Quinn, *Hazardous Waste Program Manager*, Oregon Metro

12:00 pm - 1:30 pm **Lunch**
1:30 pm - 2:30 pm **Climbing the Slippery Slope: Food Scrap Diversion**

Josephine Valencia, S.C., *Assistant Director, Solid Waste Management*, City of San Antonio, TX
Kim Braun, *Resource Recovery and Recycling Operations Manager*, City of Santa Monica, CA
Paul Turner, *Executive Director of Facilities*, Austin Integrated School District, TX

2:30 pm - 4:30 pm **Break and Mapping the Future Road to Zero Waste**

Grab a snack and join SWANA's Recycling and Special Waste Technical Division Program Committee, who brought you this year's conference, to recap outstanding issues and determine the next steps on the Road to Zero Waste. You have ideas. Let your voice be heard!

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[Admin](#)



COSTA MESA SANITARY DISTRICT

... an Independent Special District

Memorandum

To: Board of Directors
From: Scott Carroll, General Manager 
Date: December 15, 2011
Subject: First Amendment to Agreement – CR&R, Inc. - REVISION

Summary

On October 27, 2011 the Board of Directors approved the First Amendment to Agreement with CR&R for allowing residential customers three (3) large item pickups per calendar year. After approving the amendment, staff discovered an error in calculating the annual payment to be received from CR&R. The revised amendment is attached hereto.

Staff Recommendation

That the Board of Directors approves the revised version of the First Amendment to Agreement with CR&R

Analysis

On October 27, 2011, the Board was informed that the District would receive an annual payment from CR&R in the amount of \$17,171, which is the total amount of white good credits the District received in 2008, 2009, and 2010. Staff made an error in this calculation in that the annual payment was to be the average white good credit received in 2008, 2009, 2010, which is \$5,723.

However, CR&R has graciously agreed to pay the District an average annual payment for white goods collected in the last ten years of the program (2000-10), which is \$9,537 per year.

Strategic Element & Goal

This item complies with the objective and strategy of Strategic Element 2.0, Solid Waste, which states:

Objective: "Our objective is to manage the collection and recycling of residential trash in the most economical and environmentally friendly way."

Strategy: "We will do this by looking for ways to improve efficiencies, achieve high customer satisfaction, and considering prudent new recycling methods."

Legal Review

District Counsel has reviewed and approved the revised version of the First Amendment to Agreement with CR&R.

Financial Review

The revenues received from CR&R (\$9,537) will help offset the cost of the program.

Committee Recommendation

Not applicable

Public Notice Process

Copies of this report are on file and will be included with the entire agenda packet for the December 15, 2011 Board of Directors regular meeting at District Headquarters and on the District's website.

Alternative Actions

1. Refer the matter back to staff.

Attachments A: First Amendment to Agreement with CR&R, Inc.

**FIRST AMENDMENT TO AGREEMENT
BETWEEN COSTA MESA SANITARY DISTRICT AND CR&R INCORPORATED FOR SOLID WASTE AND
RECYCLING SERVICES**

FIRST AMENDMENT to Agreement between the Costa Mesa Sanitary District and CR&R Incorporated (CR&R) for collecting residential solid waste ("AGREEMENT") is made and entered into this _____ day of _____, 2011, by and between the Costa Mesa Sanitary District, hereinafter referred to as DISTRICT, and CR&R, hereinafter referred to as CONTRACTOR.

WITNESSETH:

WHEREAS, on July 20, 2006, the DISTRICT and CONTRACTOR entered into AGREEMENT for collecting residential solid waste within DISTRICT service area boundaries; and

WHEREAS, the DISTRICT desires to amend the services provided by CONTRACTOR and amend the charges for containers; and

WHEREAS, the CONTRACTOR has agreed to the amendment as provided hereinafter; and

WHEREAS, by this First Amendment, the DISTRICT and CONTRACTOR hereby amend the Agreement as provided hereinafter.

NOW, THEREFORE, the Agreement is amended as of the date hereof as follows:

1. The Agreement is hereby amended by adding Section 4.E. to said Agreement to read as follows:

"....

E. 'Large Items' means solid waste that cannot and/or would not typically be accommodated within a trash container including specifically: furniture (including chairs, sofas, mattresses, and rugs); appliances (including refrigerators, ranges, washers, dryers, water heaters, dishwashers, plumbing, small household appliances and other similar items, commonly known as 'white goods'); yard debris, green waste and small pieces of wood limited to one cubic yard of contained material; scrap metal including but not limited to aluminum, iron, stainless steel and copper; and clothing. Large items do not include car bodies, tires, construction and demolition debris or items requiring more than two persons to remove. Other items not specifically included or excluded above will be collected provided that they are not more than eight feet in length, four feet in width, or more than 150 pounds. In the event a question ever arises as to whether a specific item or category of items meets the definition of

Large Items, the DISTRICT shall be responsible to determine when said definition shall apply, which determination shall be final and binding on the Parties."

2. Section 11.C. of the Agreement is hereby amended by deleting this section in its entirety and replacing it with the following:

"

C. Container Charges. A container charge shall be implemented for "additional" containers (three or more) at a rate of \$8 per container per month, or as the parties may later agree, said charge includes the cost, collection, and delivery of the containers. CONTRACTOR will not charge a delivery fee for additional containers nor will the CONTRACTOR charge a delivery fee to existing and/or new customers that are requesting new and/or replacement containers. CONTRACTOR will comply with DISTRICT'S Operations Code, Section 7.01.054.

Billing for additional containers shall be by CONTRACTOR or an independent bonded billing service, as DISTRICT may direct. CONTRACTOR is entitled to fourteen percent (14%) of the money collected for the additional container charge. The DISTRICT will retain the remaining eighty-six percent (86%) of the revenues generated from the additional container charge and said revenues will be used at the DISTRICT's discretion. Prior to the end of each fiscal year throughout the term of this Agreement, DISTRICT and CONTRACTOR shall review in good faith the status of the Additional Container Charge Program. This review shall include, but is not limited to the following:

- total revenues generated and distributed between parties relative to establishing rate stabilization and the stated goal of charging an average rate for customers that are charged within the County;
- CONTRACTOR costs of administering and operating the Program; and
- Review of customer overall satisfaction.

...."

3. Section 15.D. of the Agreement is hereby amended by deleting this section in its entirety and replacing it with the following:

"

D. Large Item Pickup. CONTRACTOR shall provide Large Item Pickup service to all DISTRICT residential customers subscribing to service. Each residential customer shall be entitled to three (3) Large Item pickups per calendar year at no additional charge. Customers may put out up to ten (10) Large Items at each pickup. CONTRACTOR may instruct customers to provide CONTRACTOR with a minimum of one business day's notice for the items which shall be collected on the customer's regular collection day. CONTRACTOR shall collect all Large Items as defined in Section 4.E. The following provisions shall apply to this program:

- No single item that cannot be handled by two workers will be accepted.
- The following items will not be picked up: tires, asphalt, car bodies, chemicals, hazardous waste, concrete, oil drums, paint cans, building materials or soil.
- The DISTRICT shall receive an annual payment from CONTRACTOR for the remainder of the term of this Agreement and any extensions of said Agreement thereafter for the average salvage value for metallic and white goods collected in the summers of 2000 – 2010 (\$9,537)."

4. The term of this First Amendment shall become effective upon its adoption.

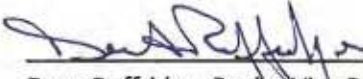
5. Except as specifically amended by the terms of this First Amendment, all provisions of the ORIGINAL AGREEMENT shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed this day and year first above written.

COSTA MESA SANITARY DISTRICT

CR&R INCORPORATED

Robert J. Ooten, President




Dean Ruffridge, Senior Vice President

Mike Scheafer, Secretary

ATTEST:

District Clerk

APPROVED TO FORM:



District Counsel



CMSD BOARD OF DIRECTORS RECYCLING COMMITTEE

AGENDA

Monday, December 12 - 10:30 a.m.
Costa Mesa Sanitary District, 628 W 19th Street

STANDING REPORTS

- I. Recycling Report – November 2011
 - Update on how CMSD is meeting AB 939 goals
- II. Waste Diversion Report – November 2011
 - Update on the amount of recycling materials diverted from the landfill
- III. Ordinance Enforcement Officer's November Report
 - Review OEO enforcement activities for trash cans, graffiti and scavenging
- IV. Scavenging Report
 - Review scavenging activities reported to CMPD

NEW DISCUSSION ITEMS

- V. Community Gardens – Oral Report
 - Receive an oral presentation from Donna Theriault, Management Analyst, City of Costa Mesa
- VI. Mobile Compost Service – Oral Report
 - Receive an oral presentation from Jennifer Wechsler, Owner of Mobile Compost Service
- VII. AB 341 – Oral Report
 - Receive an oral presentation from Debbie Morris, HFH Consultants
- VIII. Residential FOG Recycling Kick-off Event – November 21, 2011 – Oral Report
 - View taped broadcast of KTLA 5 Morning News reporting the event

ACTION ITEMS

- IX. Road to Zero Waste Conference - Austin, Texas, February 7-9, 2012
 - Consider recommending to the Board of Directors approving CMSD representatives attending the SWANA Zero Waste Conference in Austin, Texas

ARTICLES OF INTEREST

- X. A. Plastic Bag Ban Introduced in Seattle City Council
B. San Dimas City Council approves 3.4% hike in trash hauling rates

PUBLIC COMMENTS

- XI. This is the time to receive any comments from members of the public.
- XII. Discuss items for next Recycling Committee meeting.

Next Meeting Date – January 23, 2012

Dated: December 7, 2011

Joan Revak

Clerk of the District



COSTA MESA SANITARY DISTRICT

...an Independent Special District

Memorandum

To: Board of Directors

Via: Scott Carroll, General Manager 

From: Robin B. Hamers, District Engineer

Date: December 15, 2011

Subject: **Project #189 Rehabilitation of Six Sewers Transferred to CMSD
Acceptance of Improvements**

Summary

Construction of the improvements was completed on November 24, 2011, therefore, it's appropriate for the District to accept the improvements and file a notice of completion.

Staff Recommendation

That the Board of Directors approves the following action:

1. Accept improvements as completed and file a Notice of Completion.
2. Authorize payment of 5% retention 35 days after Notice of Completion is recorded.
3. Exonerate Labor and Material Bond after Notice of Completion is recorded and exonerate Faithful Performance Bond one year of Notice of Completion is recorded.

Analysis

The Costa Mesa Sanitary District and the Orange County Sanitation District entered into a transfer agreement that was recorded on 10/15/09 whereby six sewers were transferred from OCSD to CMSD.

As part of the transfer agreement, OCSD paid the CMSD \$1.3 million to cover rehabilitation of the sewers. The CMSD plans and specs for the project covered three areas of work; replacing 602 feet of the 10-inch South Coast Drive sewer to remove a 90% sag; rehabilitating sewer manholes, and grinding "OCSD" off manhole covers.

Installation of the sewer by the District's contractor TTS Engineering was very challenging as the sewer trench continued to experience caving and the street itself developed large cracks outside the limits of construction. The District incurred a large change order for the sewer work, which averaged installation of approximately 20 feet a day. After the sewer work was finally complete, District staff worked with the City of Costa Mesa on street rehabilitation requirements and the work was completed just before the Thanksgiving holiday.

Strategic Plan Element & Goal

This item complies with Strategic Plan Element 1.0, *Sewer Infrastructure* and Goal No. 1.4, *System Wide Sewer Replacement and Repair Program*. The strategy for this Strategic Element states:

"We will do this be the careful management of the collection infrastructure using prudent planning and maintenance, with financial strategies to maintain sufficient capacity and respond to changing regulatory demands."

Legal Review

District Counsel prepared the construction contract for the work and worked closely with staff in issuance of the change orders.

Financial Review

Project #189 is projected to be under budget by approximately \$24,801. The total net project costs, including preliminary costs and design, soils studies, traffic control, emergency repairs, construction contract and contract administration are approximately \$672,865, compared to a total approved budget of \$697,666. The project costs are provided in detail below:

Construction contract	\$594,886
Construction contract administration	27,064
Engineering design and other services	57,094
Other costs	<u>15,053</u>
Total Costs	\$694,097
Reimbursement from City for street repaving	<u>(21,232)</u>
Net Project Costs	\$672,865

Committee Recommendation

Not applicable

Public Notice Process

Copies of this report are on file and will be included with the entire agenda packet for the November 30, 2011 regular Board of Directors meeting at District Headquarters and on the District website.

Alternative Actions

1. Refer the matter back to staff for additional information

Reviewed by:



Teresa Gonzalez
Accounting Manager

Attachment A:

Notice of Completion

Attachment A

EXEMPT RECORDING REQUESTED
PURSUANT TO SECTION 6103,
GOVERNMENT CODE

AND WHEN RECORDED MAIL TO:

**JOAN REVAK
CLERK OF THE DISTRICT
COSTA MESA SANITARY DISTRICT
628 W. 19TH STREET
COSTA MESA, CA 92627-2716**

THIS SPACE FOR RECORDER'S USE ONLY

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is owner of sewer facilities as hereinafter described.
2. The full name of the undersigned is COSTA MESA SANITARY DISTRICT.
3. The full address of the undersigned is 628 W. 19th Street, Costa Mesa, CA 92627-2718.
4. The nature of the title of the undersigned is owner of sanitary sewer main line facilities
#189 Rehabilitation of Six Sewers Transferred to CMSD
5. The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are:

None
6. The names of the predecessors in interest of the undersigned if the property was transferred subsequent to the commencement of the work of improvement herein referred to:

None
7. A work of improvement on the property hereinafter described was completed on or around November 24, 2011.

8. The name of the contractor, if any, for such work of improvement was:

TTS Engineering, Inc.
16835 Algonquin St. #453
Huntington Beach, CA 92649

9. The property of which said work of improvement was completed is in the County of Orange, State of California, and is described as follows:

Throughout District, as specified in the plans and specifications for Project
#189 Rehabilitation of Six Sewers Transferred to CMSD

10. The street address of said property is:

Throughout District, as specified in the plans and specifications for Project
#189 Rehabilitation of Six Sewers Transferred to CMSD

DATED this _____ day of _____ 2011.

COSTA MESA SANITARY DISTRICT

ROBERT OOTEN, PRESIDENT

ATTEST:

MICHAEL SCHEAFER, SECRETARY

STATE OF CALIFORNIA)
COUNTY OF ORANGE)SS
CITY OF COSTA MESA)

The undersigned, being duly sworn says: That he is the President of the Costa Mesa Sanitary District; that he has read the foregoing instrument and knows the content thereof, and that the facts stated therein are true, and that he makes this certification by authorization granted by the Board of Directors of the Costa Mesa Sanitary District.

ROBERT OOTEN



SEWER SYSTEM COMMITTEE AGENDA

December 6, 2011, 10:30 a.m.

**Costa Mesa Sanitary District
628 W. 19th Street
Costa Mesa, California**

STANDING REPORTS

- I. Monthly Spill Statistics – No sanitary sewer overflows (SSOs) to report**
 - a. CIWQS yearly questionnaire update
 - b. Latest performance report

NEW DISCUSSION ITEMS

- II. OCSD Newport Trunk Sewer Enlargement**
 - a. Review Map
 - b. Review minutes of OCSD/CMSD meeting
- III. Biennial Sewer Cleaning – Oral Report**
 - a. Cleaning maps for National Plant Services
- IV. Hydrogen Sulfide Abatement Program**
 - a. Proposed down drain for incoming line to reduce turbulence and sulfide release
- V. Sewer Lateral Assistance Program**
 - a. Discuss and review next plumbers workshop – Oral Report
 - b. Proposed flyer to be disseminated to CMSD single family households
- VI. Root Control Program – Oral Report**
 - Short liners and full length CIPP
 - Plans and specs out to bid
 - Bid opening 12/5/11
- VII. Sea Bluff Pumping Station**
 - a. Installation of new pumps, bases, and guide rails
- VIII. Articles of Interest**
 - Marines deploy novel sewage treatment plan
 - Sacramento running out of time for costly fixes on aging sewers
 - New D.C. tunnels, green solutions aim to end sewage overflows into local waterways

CMSD PROJECTS:

- IX. **A. Project #101 West Side Pumping Station Abandonment - Status**
- Awaiting kickoff meeting with OCSD consultant Dudek
- B. Project #129 Bristol Street Sewer Phase II – Status**
- Construction contract awarded at 11/30/11 meeting
- C. Project #171 Irvine Pumping Station Force Main Rehabilitation - Status**
- Project out to bid early December 2011
- D. Project #185 System-Wide Sewer Reconstruction Phase 1 - Status**
- Construction is continuing
- E. Project #189 Rehabilitation of Six Sewers Transferred to CMSD – Status**
- Construction is complete
 - Acceptance of improvements at 12/15/11 regular meeting
- F. Project #190 Canyon Force Main Rehabilitation**
- Design phase is continuing
- G. Project #192 System-Wide Sewer Reconstruction Phase 2 – Status**
- Design phase is continuing
- H. Project #193 Pumping Station Seismic Study & Retrofit– Status**
- Consultant report complete; Staff implementing Priority I, II, III recommendations

PUBLIC COMMENTS

- X. **This is the time to receive any comments from members of the public.**

Next Meeting Date: January 17, 2012

Dated: November 29, 2011



Clerk of the District

EXEMPT RECORDING REQUESTED
PURSUANT TO SECTION 6103,
GOVERNMENT CODE

AND WHEN RECORDED MAIL TO:

JOAN REVAK
CLERK OF THE DISTRICT
COSTA MESA SANITARY DISTRICT
628 W. 19TH STREET
COSTA MESA, CA 92627-2716

THIS SPACE FOR RECORDER'S USE ONLY

COVENANT

This Covenant is made and entered into this ____ day of ____, by and between the Costa Mesa Sanitary District (hereinafter "District") and the City of Costa Mesa (hereinafter "City"), with reference to the following facts:

1. District is the owner of property generally described as the District Yard at 174 West Wilson Street, Costa Mesa, and more specifically described in Exhibit A, attached hereto and incorporated herein by this reference.
2. District constructed an above-ground fuel tank on said property after submitting plans to City showing its location and believing it had approval to so construct the tank.
3. Sometime thereafter, the parties realized that the appropriate setbacks for the tank had not been properly provided for and that the tank installed was properly characterized as a tank with dispenser, necessitating a 15-foot setback from any adjoining structure instead of the 7.5 feet the District originally believed.
4. District does therefore desire to create this covenant in favor of City and the adjoining property owner by which District promises to remove the tank if the adjoining property owner seeks to lawfully construct a structure near the property line which requires a 15-foot clearance from District's tank with dispenser.

In consideration of the above, the parties agree as follows:

1. Should the adjoining property owner desire to build on its property and have a legal right to do so but for District's fuel tank and dispenser being located too close to that structure, upon reasonable notice District will cause the removal of its fuel tank and dispenser within a reasonable time thereafter and not to exceed ninety (90) days.
2. A copy of this covenant shall be recorded by District after it is signed by the parties.
3. The adjoining property owner is a third-party beneficiary of this covenant.
4. The parties agree that this covenant may be enforced by writ of mandate, specific performance, declaratory relief or injunction. No right to money damages is created hereby, and the parties agree that they will not sue for money damages and waive all rights to the same.
5. The prevailing party in any litigation necessary to enforce this covenant shall be entitled to reasonable attorney fees and costs.
6. No party may waive or amend this agreement except in writing by a party with the legal authority to sign the document.
7. By signing this agreement, each party so signing represents that this Covenant has been duly approved by the party and warrants that the person signing has the authority to bind the party.

Agreed to the date and year first above written.

COSTA MESA SANITARY DISTRICT

CITY OF COSTA MESA

President

Mayor

Secretary

ATTEST:

City Clerk

Approved as to Form:

Harper & Burns LLP
District Counsel

Approved as to Form:

City Attorney

LAW OFFICES OF
HARPER & BURNS LLP
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CONFIDENTIAL DRAFT:
ATTY/CLIENT

To: Honorable President and Board of Directors

From: District Counsel

Date: December 30, 2010

Re: Incompatibility of Offices

At various times, the issue has arisen as to which offices are incompatible with the office of Director of the Costa Mesa Sanitary District. Now that the election season is over, it is appropriate to provide further guidance on this subject in a variety of settings.

Background

Under the theory that one cannot faithfully serve two masters, the common law provided that a person cannot hold two incompatible offices. That common law was codified at Government Code Section 1099. That section has been recently interpreted to mean that a person may not serve simultaneously as the mayor of Anaheim, a member of the OCTA Board of Directors, a member of the LA Metro Transportation Authority, a member of the Southern California Rail Authority and as a member of the High Speed Rail Authority.

There are two main issues in determining whether a compatibility conflict exists. First, it must be found that both positions are "offices." Second, if both positions are offices, there must be a determination that the offices are "incompatible" since the incompatibility rule only applies to "offices."

In analyzing these issues, reference to the Attorney General's opinions is helpful as the Attorney General's opinions are entitled to deference by the Courts. The Attorney General is also the enforcing agency as will be explained below.

In the past, the following questions have arisen:

1. Are the offices of CMSD Director and City of Costa Mesa Council Member incompatible?
2. Are the offices of CMSD Director and Mesa Consolidated Water District Board Member incompatible?
3. Are the offices of CMSD Director and City of Costa Mesa Planning Commissioner incompatible?

Therefore, we will provide guidance on the above questions as follows:

1. Are the above positions "offices?"
2. If so, are they incompatible?

To constitute an "office" the position must be established by law, and the person must hold the position for a fixed term, exercise a public function for the public benefit, and exercise some of the sovereign powers of the state. Members of advisory boards and commissions do not hold offices for the purposes of incompatibility since they do not exercise part of the sovereign powers of the state. (82 Ops.Cal.Atty.Gen. 153 (1979).) If it is determined that two positions are offices, we must then determine if they are incompatible. Generally offices are incompatible if the offices are for two separate government entities that have overlapping geographical and subject matter jurisdiction. Government Code Section 1099 provides, in pertinent part, that "offices are incompatible when any of the following circumstances are present, unless simultaneous holding of the particular offices is compelled or expressly authorized by law:

- (1) Either of the offices may audit, overrule, remove members of, dismiss employees of, or exercise supervisory powers over the other office or body.
- (2) Based on the powers and jurisdiction of the offices, there is a possibility of a significant clash of duties or loyalties between the offices.
- (3) Public policy considerations make it improper for one person to hold both offices."

1. Sanitary District Director

A sanitary district director does exercise part of the sovereign power of the state. (*Home Gardens Sanitary District v. City of Corona* 116 Cal.Rptr.2d 638 (2002).) A board member's term is fixed by state statute. Therefore, the position of director of a sanitary district is an office.

2. City Councilmember

The position of city council member is also an office. (73 Ops.Cal.Atty.Gen. 354 (1990); 63 Ops.Cal.Atty.Gen. 607 (1980).) Analysis of whether the two positions are incompatible is unnecessary because the legislature can by statute allow dual office holding. (*McClain v. County of Alameda* (1962) 25 Cal.Rptr. 660.) The legislature has specifically authorized the holding of the positions of city council member and sanitary district director. (Health and Safety Code Section 6480(b).)

3. Water District Director

A water district director holds an office. (64 Ops.Cal.Atty.Gen. 288 (1981).) Water districts are responsible for storing water, conserving water and operating waterworks. (64 Ops.Cal.Atty.Gen. at 290; Water Code §§31021-31033.) While that might not create a conflict with the position of sanitary district, a county water district also has the authority to operate sewers and to collect and treat sewage. (Water Code §31100.) A county water district is also empowered to collect trash.

(Water Code §31135.) We are informed that the Mesa Consolidated Water District has in the past contemplated taking over the sanitary district since it could provide water, sewer and trash functions, while the district is limited to sewage and trash collection. This possibility might give rise to a conflict in that a sanitary district board member serving as a water board member might have divided loyalties over such a proposal.

4. City Planning Commissioner

A planning commissioner holds an office. (66 Ops.Cal.Atty.Gen. 293 (1983).) Therefore, we must determine whether a possible conflict could arise. A sanitary district operates sewer facilities, including sewers and pump stations. Our lines are in city streets in many cases. We have sought approval from the city for our current headquarters building and for our more recent District Operations Yard construction. Many of those approvals have been processed through the Planning Department, and the Planning Commission.

In 64 Ops.Cal.Atty.Gen. 288 (1981), the Attorney General found that a county planning commissioner's duties included preparing and implementing the general plan, and that included elements pertaining to water and water conservation and was to be coordinated with public agencies in the county which serve water. The Attorney General found that the positions of county water district director and county planning commissioner were incompatible. The Attorney General has also specifically found that the positions of school district trustee and city planning commissioner were incompatible because school districts are subject to regulation by the city in which its property is located. (84 Ops.Cal.Atty.Gen. 91 (2001).) Such regulations include reviewing where educational facilities are located (Government Code §65302) and reviewing the public works of other local agencies for consistency with the General Plan (§§65103, 65401). Additionally, if a specific plan is adopted, public works constructed must be consistent with the specific plan. (§65455.) If a five-year capital improvement program is prepared, it must be submitted to the Planning Commission for review as to consistency with the general plan. (§65403.) A school district must comply with all applicable building and zoning ordinances of the city. (§53094.) The Attorney General noted that what the school district considers to be in the best interest of the public may not be what the planning commission considers best in land use matters. The Attorney General found that this created a "significant clash of duties and loyalties," which prevented a person from holding these two offices.

As to the potential clash of duties and loyalties between a city planning commissioner and a sanitary district board member, many of the same issues exist. A general plan is to designate the location and uses for public buildings and grounds, solid and liquid waste disposal facilities, and other categories of public uses of land. The conservation element can also address watershed protection and pollution. (§65302.) A planning commission is also responsible for reviewing the capital improvement program of a sanitary district for consistency with the general plan. (§65103.) A sanitary district is also responsible for submitting any proposed public works projects recommended for planning, initiation or construction during the ensuing year. The planning commission reviews the project and reports to the Planning Commission whether the

projects are consistent with the general plan. (§65401.) Further, the district shall not acquire real property nor dispose of property or construct any building thereon, unless the planning agency submits a report on the consistency of the action with the general plan. (§65402.) Five-year capital improvement plans must also be submitted to the planning agency. (§65403.) With regard to zoning and building, a sanitary district must comply with city zoning and building ordinances, with the exception that a city's building ordinances do not apply to facilities for the transmission of wastewater. (§53091.)

In addition to the above, the city and district have had disputes over root intrusion in sewer lines and over authority for sewer laterals and grease interceptors. We have also occasionally had jurisdictional issues over scavenging. Although these last items do not involve the planning commission directly, there could be input on those issues provided by the planning commission. Based on the reasoning in other opinions, it is my opinion that the Attorney General might find that the two offices are incompatible.

Application

The law provides that "[u]nder the common law doctrine, offices are incompatible if one of the offices has a supervisory, auditory, or removal power over the other or if there would be any significant clash of duties or loyalties in the exercise of official duties. Only one potential significant clash of duties or loyalties is necessary to make offices incompatible. If the performance of the duties of either office could have an adverse effect on the other, the doctrine precludes acceptance of the second office. If the second office is accepted, such acceptance constitutes an automatic resignation from the first office."

When a public official is found to have accepted two public offices, the common law provides that the first office is automatically vacated. (84 Ops.Cal.Atty.Gen. 91 (2001).) The appropriate legal mechanism for enforcing the vacation is a suit in *quo warranto* under section 803 of the Code of Civil Procedure. A *quo warranto* action is a civil action by which title to any public office may be determined. The action may only be brought under the authority of the Attorney General in the name of the People. Where such an action is brought on the relation of a private individual (relator), the relator does not become a party to the action. The actions of the relator are under the supervision and complete control of the Attorney General.

The Attorney General requires submission of an application for leave to sue on behalf of the People. In deciding whether to grant leave to sue, the basic question is whether a public interest is served. Sometimes when an insufficient amount of time is left in a term, leave to sue is denied.

Conclusion

The above is submitted in draft form for factual review. Due to a pending decision on a planning commission appointment, time was of the essence. I have been contacted informally by the Costa Mesa City Attorney about this issue, and we have only discussed the matter in generalities.

I have also had an inquiry from Council Member Leece, whom I see at the Orange County Vector Control District. She basically inquired as to whether I would be issuing an opinion. I advised her I would be providing some advice. It is my intention not to make this a public document but to provide it as an attorney-client communication to the Board and General Manager.

The above is meant to provide guidance without coming to conclusions. The Attorney General has provided some guidance but only a *quo warranto* decision would actually decide these matters.

Respectfully submitted,

Alan R. Burns
District Counsel

cc: General Manager